

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2018

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-26642

**MYRIAD GENETICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**87-0494517**  
(I.R.S. Employer Identification No.)

**320 Wakara Way, Salt Lake City, UT**  
(Address of principal executive offices)

**84108**  
(Zip Code)

Registrant's telephone number, including area code: **(801) 584-3600**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "accelerated filer," "large accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 2, 2018 the registrant had 74,762,001 shares of \$0.01 par value common stock outstanding.

MYRIAD GENETICS, INC.

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**MYRIAD GENETICS, INC.  
AND SUBSIDIARIES**  
Condensed Consolidated Balance Sheets (Unaudited)  
(In millions)

ASSETS	September 30, 2018	June 30, 2018
<b>Current assets:</b>		
Cash and cash equivalents	\$ 93.3	\$ 110.9
Marketable investment securities	74.2	69.7
Prepaid expenses	11.5	9.4
Inventory	35.9	34.3
Trade accounts receivable	119.1	99.5
Prepaid taxes	3.6	—
Other receivables	4.3	3.8
Total current assets	341.9	327.6
Property, plant and equipment, net	60.0	43.2
Long-term marketable investment securities	24.2	30.7
Intangibles, net	734.2	455.2
Goodwill	413.3	318.6
Total assets	\$ 1,573.6	\$ 1,175.3
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 23.8	\$ 26.0
Accrued liabilities	76.4	68.3
Short-term contingent consideration	5.3	5.3
Deferred revenue	2.5	2.6
Total current liabilities	108.0	102.2
Unrecognized tax benefits	24.6	24.9
Other long-term liabilities	6.3	6.3
Contingent consideration	9.6	9.2
Long-term debt	258.0	9.3
Long-term deferred taxes	64.9	57.3
Total liabilities	471.4	209.2
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Common stock, 74.7 and 70.6 shares outstanding at September 30, 2018 and June 30, 2018 respectively	0.7	0.7
Additional paid-in capital	1,052.4	915.4
Accumulated other comprehensive loss	(4.3)	(4.1)
Retained earnings	53.4	54.1
Total Myriad Genetics, Inc. stockholders' equity	1,102.2	966.1
Non-Controlling Interest	—	—
Total stockholders' equity	1,102.2	966.1
Total liabilities and stockholders' equity	\$ 1,573.6	\$ 1,175.3

See accompanying notes to condensed consolidated financial statements.

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

**MYRIAD GENETICS, INC.**  
**AND SUBSIDIARIES**  
Condensed Consolidated Statements of Operations (Unaudited)  
(In millions, except per share amounts)

	Three months ended September 30,	
	2018	2017
Molecular diagnostic testing	\$ 189.0	\$ 167.4
Pharmaceutical and clinical services	13.3	11.4
Total revenue	202.3	178.8
Costs and expenses:		
Cost of molecular diagnostic testing	42.3	36.2
Cost of pharmaceutical and clinical services	7.4	6.8
Research and development expense	21.1	17.8
Change in the fair value of contingent consideration	0.4	(73.2)
Selling, general, and administrative expense	129.9	107.2
Total costs and expenses	201.1	94.8
Operating income	1.2	84.0
Other income (expense):		
Interest income	0.7	0.4
Interest expense	(2.2)	(0.9)
Other	1.1	(0.3)
Total other expense:	(0.4)	(0.8)
Income before income tax	0.8	83.2
Income tax provision	1.6	4.5
Net income (loss)	\$ (0.8)	\$ 78.7
Net loss attributable to non-controlling interest	(0.1)	(0.1)
Net income (loss) attributable to Myriad Genetics, Inc. stockholders	\$ (0.7)	\$ 78.8
Earnings (loss) per share:		
Basic	\$ (0.01)	\$ 1.15
Diluted	\$ (0.01)	\$ 1.12
Weighted average shares outstanding:		
Basic	73.0	68.6
Diluted	73.0	70.4

See accompanying notes to condensed consolidated financial statements.

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

**MYRIAD GENETICS, INC.  
AND SUBSIDIARIES**  
Condensed Consolidated Statements of Comprehensive Income (Unaudited)  
(In millions)

	Three months ended September 30,	
	2018	2017
Net income (loss) attributable to Myriad Genetics, Inc. stockholders	\$ (0.7)	\$ 78.8
Unrealized gain (loss) on available-for-sale securities, net of tax	(0.2)	—
Change in foreign currency translation adjustment, net of tax	0.4	3.3
Comprehensive income (loss)	(0.5)	82.1
Comprehensive income attributable to non-controlling interest	—	—
Comprehensive income (loss) attributable to Myriad Genetics, Inc. shareholders	<u>\$ (0.5)</u>	<u>\$ 82.1</u>

See accompanying notes to condensed consolidated financial statements.

- (a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

**MYRIAD GENETICS, INC.**  
**AND SUBSIDIARIES**  
Condensed Consolidated Statements of Stockholders' Equity  
(In millions)

	Common stock	Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings (accumulated deficit)	Myriad Genetics, Inc. Stockholders' equity
<b>BALANCES AT JUNE 30, 2018</b>	<b>\$ 0.7</b>	<b>\$ 915.4</b>	<b>\$ (4.1)</b>	<b>\$ 54.1</b>	<b>\$ 966.1</b>
Issuance of common stock under share-based compensation plans	—	1.9	—	—	1.9
Issuance of common stock for acquisition	—	127.4	—	—	127.4
Share-based payment expense	—	7.7	—	—	7.7
Net income (loss)	—	—	—	(0.7)	(0.7)
Other comprehensive income, net of tax	—	—	(0.2)	—	(0.2)
<b>BALANCES AT SEPTEMBER 30, 2018</b>	<b>\$ 0.7</b>	<b>\$ 1,052.4</b>	<b>\$ (4.3)</b>	<b>\$ 53.4</b>	<b>\$ 1,102.2</b>

See accompanying notes to consolidated financial statements.

- (a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

**MYRIAD GENETICS, INC.**  
**AND SUBSIDIARIES**  
Condensed Consolidated Statements of Cash Flows (Unaudited)  
(In millions)

	Three months ended September 30,	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income (loss) attributable to Myriad Genetics, Inc. stockholders	\$ (0.7)	78.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18.3	13.2
Non-cash interest expense	(1.3)	0.1
Loss (gain) on disposition of assets	(1.0)	(0.1)
Share-based compensation expense	7.7	6.4
Deferred income taxes	2.7	4.7
Unrecognized tax benefits	(2.6)	6.7
Change in fair value of contingent consideration	(0.4)	(73.2)
Changes in assets and liabilities:		
Prepaid expenses	1.8	3.2
Trade accounts receivable	(3.3)	(6.2)
Other receivables	(0.3)	0.3
Inventory	3.5	3.3
Prepaid taxes	(3.6)	(8.9)
Accounts payable	(8.4)	0.4
Accrued liabilities	(4.4)	(5.8)
Deferred revenue	(0.2)	0.6
Net cash provided by operating activities	<u>7.8</u>	<u>23.5</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(1.3)	(1.6)
Acquisitions, net of cash acquired	(279.6)	—
Purchases of marketable investment securities	(14.4)	(31.5)
Proceeds from maturities and sales of marketable investment securities	16.3	17.9
Net cash used in investing activities	<u>(279.0)</u>	<u>(15.2)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from common stock issued under share-based compensation plans	2.1	1.7
Net proceeds from revolving credit facility	290.0	—
Repayment of revolving credit facility	(40.0)	(25.0)
Net cash provided by (used in) financing activities	<u>252.1</u>	<u>(23.3)</u>
Effect of foreign exchange rates on cash and cash equivalents	1.5	0.5
Net decrease in cash and cash equivalents	(17.6)	(14.5)
Cash and cash equivalents at beginning of the period	110.9	102.4
Cash and cash equivalents at end of the period	<u>\$ 93.3</u>	<u>\$ 87.9</u>

See accompanying notes to condensed consolidated financial statements.

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606). See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

(Dollars and shares in millions, except per share data)

**(1) BASIS OF PRESENTATION**

The accompanying condensed consolidated financial statements have been prepared by Myriad Genetics, Inc. (the “Company” or “Myriad”) in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. In the opinion of management, the accompanying financial statements contain all adjustments (consisting of normal and recurring accruals) necessary to present fairly all financial statements in accordance with GAAP. The condensed consolidated financial statements herein should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2018, included in the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2018. Operating results for the three months ended September 30, 2018 may not necessarily be indicative of results to be expected for any other interim period or for the full year.

The consolidated financial statements include the accounts of the Company’s majority-owned subsidiary, Assurex Canada, Ltd. which is 85% owned by Assurex Health, Inc. (“Assurex”), a wholly owned subsidiary of the Company, and 15% owned by the Centre for Addiction and Mental Health. Assurex Canada, Ltd. is a consolidated subsidiary of Assurex Health, Inc. The value of the non-controlling interest represents the portion of Assurex Canada, Ltd.’s profit or loss and net assets that is not held by Assurex Health, Inc. The Company attributes comprehensive income or loss of the subsidiary between the Company and the non-controlling interest based on the respective ownership interest.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) issued the converged standard on revenue recognition with the objective of providing a single, comprehensive model for all contracts with customers to improve comparability in the financial statements of companies reporting using International Financial Reporting Standards and U.S. GAAP. The standard contains principles that an entity must apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity must recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. An entity can apply the revenue standard retrospectively to each prior reporting period presented (full retrospective method) or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application in retained earnings (modified retrospective method).

The standard was effective for the Company beginning July 1, 2018. The Company elected to adopt the standard using the full retrospective approach, which resulted in a recasting of revenue and the related financial statement items for FY2017 and FY2018. During transition to the new standard, the Company also elected several practical expedients, as provided by the standard. Contracts that began and ended within the same annual reporting period were not restated. Contracts that were completed by June 30, 2018 that had variable consideration were estimated using the transaction price at the date the contract was completed. The amount of the transaction price allocated to the remaining performance obligations will not be disclosed for prior reporting periods. Contracts that were modified prior to the earliest reporting period will be reflected in the earliest reporting period with an aggregate adjustment for prior modifications.

As a result of the new standard, the Company has changed its accounting policies for revenue recognition. The primary impact of the new standard was classifying bad debt expense of \$8.0 for the three months ended September 30, 2017, as a reduction in revenue rather than as a selling, general and administrative expense. The Company also increased its June 30, 2018 accounts receivable and retained earnings balances by \$1.2 as a result of adopting the new standard.

**Reclassifications**

Adoption of new revenue recognition standard impacted the Company’s previously reported results as follows:

	Three months ended September 30, 2017		
	As Previously Reported	ASC606 Adjustments	As Restated
<b>Consolidated Statements of Operations:</b>			
Total Revenue	\$ 187.9	\$ (9.1)	\$ 178.8
Selling, general and administrative expense	115.2	(8.0)	107.2
Income tax provision	4.8	(0.3)	4.5
Net Income attributable to Myriad Genetics, Inc. stockholders	79.6	(0.8)	78.8
Earnings per share:			
Basic	\$ 1.16	\$ (0.01)	\$ 1.15
Diluted	\$ 1.13	\$ (0.01)	\$ 1.12
<b>Consolidated Statements of Cash Flows:</b>			
Net Income attributable to Myriad Genetics, Inc. stockholders	79.6	(0.8)	78.8
Trade Accounts Receivable	(16.5)	10.3	(6.2)

	June 30, 2018		
	As Previously Reported	ASC606 Adjustments	As Restated
<b>Consolidated Balance Sheet:</b>			
Trade accounts receivable	\$ 98.3	\$ 1.2	\$ 99.5
Retained Earnings	52.9	1.2	54.1

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, Leases. ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 will be effective beginning in the first quarter of fiscal 2020. Early adoption of ASU 2016-02 is permitted. ASU 2016-02 requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company’s management is currently evaluating the impact of adopting ASU 2016-02 on the Company’s consolidated financial statements.

In accordance with the Securities Act Release No. 33-10532 which now requires presenting changes in stockholders equity quarterly we have included our condensed consolidated statements of equity.

## (2) REVENUE

The following table presents detail regarding the composition of our total revenue by product and U.S versus rest of world, “RoW”:

(In millions)	Three months ended September 30,					
	2018			2017		
	U.S.	RoW	Total	U.S.	RoW	Total
<b>Molecular diagnostic revenues:</b>						
Hereditary Cancer Testing	\$ 113.5	\$ 2.8	\$ 116.3	\$ 114.6	\$ 2.4	\$ 117.0
GeneSight	29.3	—	29.3	28.8	—	28.8
Prenatal	18.1	—	18.1	—	—	—
VectraDA	13.0	—	13.0	14.0	—	14.0
Polaris	6.2	—	6.2	3.9	—	3.9
EndoPredict	0.3	2.1	2.4	0.0	1.8	1.8
Other	3.6	0.1	3.7	1.8	0.1	1.9
Total molecular diagnostic revenue	184.0	5.0	189.0	163.1	4.3	167.4
Pharmaceutical and clinical service revenue	7.6	5.7	13.3	6.3	5.1	11.4
Total revenue	\$ 191.6	\$ 10.7	\$ 202.3	\$ 169.4	\$ 9.4	\$ 178.8

The Company performs its obligation under a contract with a customer by processing diagnostic tests and communicating the test results to customers, in exchange for consideration from the customer. The Company has the right to bill its customers upon the completion of performance obligations and thus does not record contract assets. Occasionally customers make payments prior to

the Company's performance of its contractual obligations. When this occurs the Company records a contract liability as deferred revenue. A reconciliation of the beginning and ending balances of deferred revenue is shown in the table below:

	Three months ended			
	September 30,			
	2018		2017	
Deferred revenue - beginning balance	\$	2.6	\$	2.6
Revenue recognized		(1.7)		(5.9)
Prepayments		1.6		6.2
Deferred revenue - Ending Balance	\$	2.5	\$	2.9

Myriad Companies generate revenue by performing molecular diagnostic testing and pharmaceutical & clinical services. Revenue from the sale of molecular diagnostic tests and pharmaceutical and clinical services is recorded at the invoiced amount net of any discounts or contractual allowances. The Company has determined that the communication of test results or the completion of clinical and pharmaceutical services indicates transfer of control for revenue recognition purposes.

In accordance with ASU 2014-09, the Company has elected not to disclose the aggregate amount of the transaction price allocated to remaining performance obligations for its contracts that are one year or less, as the revenue is expected to be recognized within the next year. Furthermore, the Company has elected not to disclose the aggregate amount of the transaction price allocated to remaining performance obligations for its agreements wherein the Company's right to payment is in an amount that directly corresponds with the value of Company's performance to date. However, periodically the Company enters into arrangements with customers to provide diagnostic testing and/or pharmaceutical and clinical services that may have terms longer than one year and include multiple performance obligations. As of September 30, 2018, the aggregate amount of the transaction price of such contracts that is allocated to the remaining performance obligations is \$7.3, \$4.3 of which the Company expects to recognize in fiscal 2019.

Significant judgments are required in determining the transaction price and satisfying performance obligations under the new revenue standard. The Company provides discounts such as early payment, self-pay and volume discounts to its customers. In determining the transaction price, Myriad includes an estimate of the expected amount of consideration as revenue. The Company applies this method consistently for similar contracts when estimating the effect of any uncertainty on an amount of variable consideration to which it will be entitled. An estimate of transaction price does not include any estimated amount of variable consideration that are constrained. The Company applies the expected value method for sales where the Company has a large number of contracts with similar characteristics.

In addition, the Company considers all the information (historical, current, and forecast) that is reasonably available to identify possible consideration amounts. In determining the expected value under the new standard, the Company considers the probability of the variable consideration for each possible scenario. The Company also has significant experience with historical discount patterns and uses this experience to estimate transaction prices. In accordance with ASU 2016-12, the Company has elected to exclude from the measurement of transaction price, all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer for e.g. sales tax, value added tax etc.

The Company has elected to apply the practical expedient related to costs to obtain or fulfill a contract since the amortization period for such costs will be one year or less. Accordingly no costs incurred to obtain or fulfill a contract have been capitalized. The Company has also elected to apply the practical expedient for not adjusting revenue recognized for the effects of the time value of money. This practical expedient has been elected because the Company collects very little cash from customers under payment terms and vast majority of payments terms have a payback period of less than one year.

### (3) ACQUISITIONS

#### *Acquisition of Counsyl, Inc.*

On July 31, 2018, the Company completed the acquisition of Counsyl, Inc. ("Counsyl"), a leading provider of genetic testing and DNA analysis services, pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated May 25, 2018. Pursuant to the terms of the Merger Agreement, Myriad Merger Sub, Inc., a newly-created wholly-owned subsidiary of the Company, was merged with and into Counsyl, with Counsyl continuing as the surviving corporation and a wholly-owned subsidiary of Myriad. The Company believes the acquisition allows for greater entry into the high-growth reproductive testing market, with the ability to become a leader in women's health genetic testing.

The Company acquired Counsyl for total consideration of \$407.0, consisting of \$279.6 in cash, financed in part by the Amendment to the Facility (see Note 8) and 2,994,251 shares of common stock issued, valued at \$127.4. The shares were issued and valued as of July 31, 2018 at a per share market closing price of \$42.53.

Of the cash consideration, \$5.0 was deposited into an escrow account to fund any post-closing adjustments payable to Myriad based upon differences between the estimated working capital and the actual working capital of Counsyl at closing.

Consideration transferred was allocated to the tangible and intangible assets acquired and liabilities assumed based on their fair values as of the acquisition date. Management estimated the fair value of tangible and intangible assets and liabilities in accordance with the applicable accounting guidance for business combinations and utilized the services of third-party valuation consultants. The initial allocation of the consideration transferred is based on a preliminary valuation and is subject to potential adjustments. Balances subject to adjustment primarily include the valuations of acquired assets (tangible and intangible), liabilities assumed, as well as tax-related matters. During the measurement period, the Company may record adjustments to the provisional amounts recognized. The Company expects the allocation of the consideration transferred to be final within the measurement period (up to one year from the acquisition date).

	Estimated Fair Value
Current assets	\$ 42.5
Intangible assets	292.9
Equipment	18.9
Other assets	0.1
Goodwill	94.9
Current liabilities	(19.6)
Long term liabilities	(0.1)
Deferred tax liability	(7.3)
Total fair value purchase price	\$ 422.3
Less: Cash acquired	(15.3)
Total consideration transferred	\$ 407.0

#### *Identifiable Intangible Assets*

The Company acquired intangible assets that consisted of developed screening processes which had an estimated fair value of \$292.0 and internally developed software with an estimated fair value of \$0.9. The fair values of these developed screening processes and related useful lives were determined using a probability-weighted income approach that discounts expected future cash flows to present value. The estimated net cash flows were discounted using a discount rate of 12.5% which is based on the estimated internal rate of return for the acquisition and represents the rate that market participants might use to value the intangible assets. The fair value of the internally developed software was determined based on a replacement cost approach. The Company will amortize the intangible assets on a straight-line basis over their estimated useful lives of 12 years for the developed screening processes and 5 years for the internally developed software.

#### *Goodwill*

The \$94.9 of goodwill represents the excess of consideration transferred over the fair value of assets acquired and liabilities assumed and is attributable to the benefits expected from combining the Company's expertise with Counsyl's technology, customer insights, and ability to effectively integrate genetic screening into clinical practice with OBGYNs. This goodwill is not deductible for income tax purposes.

#### *Pro Forma Information*

The unaudited pro-forma results presented below include the effects of the Counsyl acquisition as if it had been consummated as of July 1, 2017, with adjustments to give effect to pro forma events that are directly attributable to the acquisition, which includes adjustments related to the amortization of acquired intangible assets, interest income and expense, and depreciation.

The unaudited pro forma results do not reflect any operating efficiency or potential cost savings that may result from the consolidation of Counsyl. Accordingly, these unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operation of the combined company would have been if the acquisition had occurred at the beginning of the period presented nor are they indicative of future results of operations and are not necessarily indicative of results that might have been achieved had the acquisition been consummated as of July 1, 2017.

	Three months ended September 30,	
	2018	2017
Revenue	\$ 212.5	\$ 209.5
Income from operations	11.5	69.6
Net income	8.6	61.3
Net income per share, basic	\$ 0.11	\$ 0.86
Net income per share, diluted	\$ 0.11	\$ 0.84

To complete the purchase transaction, we incurred approximately \$6.8 of acquisition costs, which are recorded as selling, general and administrative expenses in the period incurred. For the three months ended September 30, 2018, Counsyl contributed revenue of approximately \$19.4. For the three months ended September 30, 2018, operating expenses related to Counsyl were approximately \$33.0.

#### (4) MARKETABLE INVESTMENT SECURITIES

The Company has classified its marketable investment securities as available-for-sale securities. These securities are carried at estimated fair value with unrealized holding gains and losses, net of the related tax effect, included in accumulated other comprehensive loss in stockholders' equity until realized. Gains and losses on investment security transactions are reported on the specific-identification method. Dividend and interest income are recognized when earned. The Company's cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash. The amortized cost, gross unrealized holding gains, gross unrealized holding losses, and fair value for available-for-sale securities by major security type and class of security at September 30, 2018 and June 30, 2018 were as follows:

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
At September 30, 2018:				
Cash and cash equivalents:				
Cash	\$ 75.3	\$ —	\$ —	\$ 75.3
Cash equivalents	18.0	—	—	18.0
Total cash and cash equivalents	93.3	—	—	93.3
Available-for-sale:				
Corporate bonds and notes	57.5	—	(0.3)	57.2
Municipal bonds	23.4	—	(0.1)	23.3
Federal agency issues	9.6	—	—	9.6
US government securities	8.3	—	—	8.3
Total	\$ 192.1	\$ —	\$ (0.4)	\$ 191.7

	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
At June 30, 2018:				
Cash and cash equivalents:				
Cash	\$ 95.6	\$ —	\$ —	\$ 95.6
Cash equivalents	15.3	—	—	15.3
Total cash and cash equivalents	110.9	—	—	110.9
Available-for-sale:				
Corporate bonds and notes	50.8	—	(0.3)	50.5
Municipal bonds	29.3	—	(0.1)	29.2
Federal agency issues	12.6	—	(0.1)	12.5
US government securities	8.3	—	(0.1)	8.2
Total	\$ 211.9	\$ —	\$ (0.6)	\$ 211.3

Cash, cash equivalents, and maturities of debt securities classified as available-for-sale securities are as follows at September 30, 2018:

	Amortized cost	Estimated fair value
Cash	\$ 75.3	\$ 75.3
Cash equivalents	18.0	18.0
Available-for-sale:		
Due within one year	75.9	75.6
Due after one year through five years	22.9	22.8
Due after five years	—	—
Total	<u>\$ 192.1</u>	<u>\$ 191.7</u>

(5) PROPERTY, PLANT AND EQUIPMENT, NET

	September 30, 2018	June 30, 2018
Land	\$ 2.4	\$ 2.4
Buildings and improvements	19.2	19.3
Leasehold improvements	29.9	23.0
Equipment	113.0	112.4
	<u>164.5</u>	<u>157.1</u>
Less accumulated depreciation	(104.5)	(113.9)
Property, plant and equipment, net	<u>\$ 60.0</u>	<u>\$ 43.2</u>

	Three months ended September 30,	
	2018	2017
Depreciation expense	\$ 4.9	\$ 3.9

(6) GOODWILL AND INTANGIBLE ASSETS

*Goodwill*

The Company has recorded goodwill of \$413.3 from the acquisitions of Counsyl that was completed on July 31, 2018, Assurex that was completed on August 31, 2016, Sividon Diagnostics GmbH (“Sividon”) that was completed on May 31, 2016, Privatlinik Dr. Robert Schindlbeck GmbH & Co. KG (the “Clinic”) that was completed on February 27, 2015, Crescendo Bioscience, Inc. that was completed on February 28, 2014 and Rules-Based Medicine, Inc. that was completed on May 31, 2011. Of this goodwill, \$347.5 relates to the Company’s diagnostic segment and \$65.8 relates to the other segment. The following summarizes changes to the goodwill balance for the three months ended September 30, 2018:

	Carrying amount
Beginning balance July 1, 2018	\$ 318.6
Acquisitions	94.9
Translation adjustments	(0.2)
Ending balance September 30, 2018	<u>\$ 413.3</u>

## Intangible Assets

Intangible assets primarily consist of amortizable assets of purchased licenses and technologies, customer relationships, and trade names as well as non-amortizable intangible assets of in-process technologies and research and development. The following summarizes the amounts reported as intangible assets:

	Gross Carrying Amount	Accumulated Amortization	Net
At September 30, 2018:			
Purchased licenses and technologies	\$ 819.1	\$ (111.4)	\$ 707.7
Customer relationships	4.6	(3.4)	1.2
Trademarks	3.0	(1.0)	2.0
Total amortized intangible assets	<u>826.7</u>	<u>(115.8)</u>	<u>710.9</u>
In-process research and development	23.3	—	23.3
Total unamortized intangible assets	<u>23.3</u>	<u>—</u>	<u>23.3</u>
Total intangible assets	<u>\$ 850.0</u>	<u>\$ (115.8)</u>	<u>\$ 734.2</u>
	Gross Carrying Amount	Accumulated Amortization	Net
At June 30, 2018:			
Purchased licenses and technologies	\$ 526.4	\$ (98.0)	\$ 428.4
Customer relationships	4.6	(3.3)	1.3
Trademarks	3.0	(1.0)	2.0
Total amortized intangible assets	<u>534.0</u>	<u>(102.3)</u>	<u>431.7</u>
In-process research and development	23.5	—	23.5
Total unamortized intangible assets	<u>23.5</u>	<u>—</u>	<u>23.5</u>
Total intangible assets	<u>\$ 557.5</u>	<u>\$ (102.3)</u>	<u>\$ 455.2</u>

The Company recorded amortization expense during the respective periods for these intangible assets as follows:

	Three months ended September 30,	
	2018	2017
Amortization of intangible assets	\$ 13.4	\$ 9.3

## (7) ACCRUED LIABILITIES

	September 30, 2018	June 30, 2018
Employee compensation and benefits	\$ 47.8	\$ 49.5
Accrued taxes payable	9.8	4.3
Other	18.8	14.5
Total accrued liabilities	<u>\$ 76.4</u>	<u>\$ 68.3</u>

## (8) LONG-TERM DEBT

On December 23, 2016, the Company entered into a senior secured revolving credit facility (the "Facility") by and among Myriad, as borrower, with the lenders from time to time party thereto. On July 31, 2018, the Company entered into Amendment No. 1 (the "Amended Facility") which effects an "amend and extend" transaction with respect to the Facility by which the maturity date thereof was extended to July 31, 2023 and the maximum aggregate principal commitment was increased from \$300.0 to \$350.0. This was accounted for as a modification pursuant to guidance in ASC 470-50.

Pursuant to the Amended Facility, Myriad borrowed revolving loans in an aggregate principal amount of \$300.0 with \$1.8 in upfront fees and \$0.3 debt issuance costs recorded as a debt discount to be amortized over the term of the Amended Facility resulting in current net long-term debt of \$297.9. There are no scheduled principal payments of the Amended Facility prior to its maturity date.

The proceeds of the Amended Facility were used to: (i) refinance in full the obligations under the Facility, (ii) finance the acquisition of Counsyl (See Note 3), (iii) pay fees, commissions, transactions costs and expenses incurred in connection with the foregoing, and (iv) for working capital and other general corporate purposes.

The Amended Facility contains customary loan terms, interest rates, representations and warranties, affirmative and negative covenants, in each case, subject to customary limitations, exceptions and exclusions. The Amended Facility also contains certain customary events of default.

Covenants in the Amended Facility impose operating and financial restrictions on the Company. These restrictions may prohibit or place limitations on, among other things, the Company's ability to incur additional indebtedness, create certain types of liens, complete mergers or consolidations, and/or change in control transactions. The Amended Facility may also prohibit or place limitations on the Company's ability to sell assets, pay dividends or provide other distributions to shareholders. The Company must maintain specified leverage and interest ratios measured as of the end of each quarter as a financial covenant in the Amended Facility. We were in compliance with all financial covenants at September 30, 2018.

During the quarter ended September 30, 2018, the Company made \$40.0 in principal repayments.

The Amended Facility is secured by a first-lien security interest in substantially all of the assets of Myriad and certain of its domestic subsidiaries and each such domestic subsidiary of Myriad has guaranteed the repayment of the Amended Facility. Amounts outstanding under the Amended Facility and Facility were as follows:

	September 30, 2018	June 30, 2018
Long-term debt	\$ 260.1	\$ 10.0
Long-term debt discount	(2.1)	(0.7)
Net long-term debt	<u>\$ 258.0</u>	<u>\$ 9.3</u>

#### (9) OTHER LONG TERM LIABILITIES

	September 30, 2018	June 30, 2018
Pension obligation	6.1	6.0
Other	0.2	0.3
Total other long term liabilities	<u>\$ 6.3</u>	<u>\$ 6.3</u>

The Company has two non-contributory defined benefit pension plans for certain Clinic employees. Participation in the plans excludes those employees hired after 2002. As of September 30, 2018 the fair value of the plan assets were approximately \$0.1 resulting in a net pension liability of \$6.1.

#### (10) PREFERRED AND COMMON STOCKHOLDER'S EQUITY

The Company is authorized to issue up to 5.0 shares of preferred stock, par value \$0.01 per share. There were no preferred shares outstanding at September 30, 2018.

The Company is authorized to issue up to 150.0 shares of common stock, par value \$0.01 per share. There were 74.7 shares issued and outstanding at September 30, 2018.

*Common shares issued and outstanding*

	Three months ended September 30, 2018	Year ended June 30, 2018
Common stock issued and outstanding at July 1	70.6	68.4
Common stock issued upon exercise of options and employee stock plans	4.1	2.2
Repurchase and retirement of common stock	—	—
Common stock issued and outstanding at end of period	<u>74.7</u>	<u>70.6</u>

Basic earnings per share is computed based on the weighted-average number of shares of common stock outstanding. Diluted earnings per share is computed based on the weighted-average number of shares of common stock, including the dilutive effect of

common stock equivalents, outstanding. In periods when the Company has a net loss, stock awards are excluded from the calculation of diluted net loss per share as their inclusion would have an antidilutive effect.

The following is a reconciliation of the denominators of the basic and diluted earnings per share (“EPS”) computations:

	Three months ended September 30,	
	2018	2017
<b>Denominator:</b>		
Weighted-average shares outstanding used to compute basic EPS	73.0	68.6
Effect of dilutive shares	—	1.8
Weighted-average shares outstanding and dilutive securities used to compute diluted EPS	<u>73.0</u>	<u>70.4</u>

Certain outstanding options and restricted stock units (“RSUs”) were excluded from the computation of diluted earnings per share because the effect would have been anti-dilutive. These potential dilutive common shares, which may be dilutive to future diluted earnings per share, are as follows:

	Three months ended September 30,	
	2018	2017
Anti-dilutive options and RSU's excluded from EPS computation	4.1	1.5

#### Stock Repurchase Program

In June 2016, the Company’s Board of Directors authorized an eighth share repurchase program of \$200.0 of the Company’s outstanding common stock. The Company plans to repurchase its common stock from time to time or on an accelerated basis through open market transactions or privately negotiated transactions as determined by the Company’s management. The amount and timing of stock repurchases under the program will depend on business and market conditions, stock price, trading restrictions, acquisition activity and other factors. As of September 30, 2018, the Company has \$160.7 remaining on its current share repurchase authorization.

The Company uses the par value method of accounting for its stock repurchases. As a result of the stock repurchases, the Company reduced common stock and additional paid-in capital and recorded charges to accumulated deficit. The shares retired, aggregate common stock and additional paid-in capital reductions, and related charges to accumulated deficit for the repurchases for periods ended September 30, 2018 and 2017 were as follows:

	Three months ended September 30,	
	2018	2017
Shares purchased and retired	—	—
Common stock and additional paid-in-capital reductions	\$ —	\$ —
Charges to retained earnings	\$ —	\$ —

## (11) INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (the “Tax Act”) was enacted. The Tax Act makes broad and complex changes to the U.S. tax code that will affect our fiscal year ending June 30, 2018, including, but not limited to (1) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent; (2) requiring companies to pay a one-time transition tax on certain unrepatriated earnings of foreign subsidiaries; (3) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries; (4) requiring a current inclusion in U.S. federal taxable income of certain earnings of controlled foreign corporations; (5) creating the base erosion anti-abuse tax (BEAT), a new minimum tax; (6) creating a new limitation on deductible interest expense; (7) revising the rules that limit the deductibility of compensation to certain highly compensated executives, and (8) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017.

The SEC staff issued SAB 118, which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under ASC 740 is complete. To the extent that a company’s accounting for certain income tax effects

of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. If a company cannot determine a provisional estimate to be included in the financial statements, it should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act.

In connection with our initial analysis of the impact of the Tax Act and consistent with the requirement to record a provisional estimate when applicable, the Company recorded a discrete net income tax benefit during the quarter ended December 31, 2017 of approximately \$32.6 (\$0.45 earnings per share increase). This provisional estimate primarily consists of a net benefit for the corporate rate reduction due to the revaluing of its net deferred tax liabilities as a result of the reduction in the federal corporate tax rates. The Company's net deferred tax liabilities represent temporary differences between the book bases of assets which are greater than their tax bases. Upon the reversal of those temporary differences, the future tax impact will be based on the lower federal corporate tax rate enacted by the Tax Act. The Company is continuing to gather information and to analyze aspects of the Tax Act, which could potentially affect the estimated impact on the deferred tax balances. For various reasons that are discussed more fully below, we have not completed our accounting for the income tax effects of certain elements of the Tax Act. To the extent we were not yet able to make reasonable estimates of the impact of certain elements, we have not recorded any adjustments related to those elements and have continued accounting for them in accordance with ASC 740 on the basis of the tax laws in effect before the Tax Act.

In addition to the discrete benefit recorded during the quarter ended December 31, 2017 for the provisional estimated impact on the Company's net deferred tax liabilities, the lower federal corporate tax rate reduced the Company's estimated annual effective tax rate which was applied to year to date operating results in accordance with the interim accounting guidelines. The Company estimates that the reduction in the federal corporate rate will have an ongoing effect to reduce the Company's income tax expense from continuing operations.

As a result of changes made by the Tax Act, Section 162(m) will limit the deduction of compensation, including performance-based compensation, in excess of \$1.0 paid to anyone who, for tax years beginning after January 1, 2018, serves as the Chief Executive Officer or Chief Financial Officer, or who is among the three most highly compensated executive officers for any fiscal year. The only exception to this rule is for compensation that is paid pursuant to a binding written contract in effect on November 2, 2017 that would have otherwise been deductible under the prior Section 162(m) rules. Accordingly, any compensation paid in the future pursuant to new compensation arrangements entered into after November 2, 2017, even if performance-based, will count towards the \$1.0 fiscal year deduction limit if paid to a covered executive. The Company estimated that there will not be a material impact during the fiscal year ended June 30, 2018, as the law is effective for tax years beginning after January 1, 2018. The Company has evaluated its binding contracts entered into prior to November 2, 2017, and believes there will be no material impact for adjustments related to deferred equity compensation currently carried as a deferred tax asset on the Company's balance sheet. The Company is still analyzing certain aspects of the Tax Act and refining calculations, which could potentially affect the impact of this provision. Beginning fiscal year ending June 30, 2018, the company estimates there will be a material impact due to compensation in excess of \$1.0. For the quarter ended September 30, 2018, the Company included the impact in the annual effective tax rate applied to the quarter.

The Tax Act also implements certain changes on the taxation of the Company's foreign operations. Our accounting for the following elements of the Tax Act is incomplete, and we were not yet able to make reasonable estimates of the effects. Therefore, no provisional adjustments were recorded.

The Deemed Repatriation Transition Tax (Transition Tax) is a tax on previously untaxed accumulated and current earnings and profits (E&P) of certain of our foreign subsidiaries. To determine the amount of the Transition Tax, we must determine, in addition to other factors, the amount of post-1986 E&P of the relevant subsidiaries, as well as the amount of non-U.S. income taxes paid on such earnings. While the Company estimates that there will not be a material impact during the current quarter or current fiscal year due to the Transition Tax, we are not able to make a reasonable estimate of the Transition Tax and have not recorded a provisional amount. We are continuing to gather additional information needed to finalize the amount of post-1986 E&P to more precisely compute the amount of the Transition Tax.

Other revisions to the taxation of foreign earnings will not be effective until the Company's fiscal year ending on June 30, 2019. The Company is in the process of evaluating the additional provisions of the Tax Act that will become effective in their fiscal year ending June 30, 2019.

The impact of the Tax Act may differ from these estimates, possibly materially, due to, among other things, changes in interpretations and assumptions the Company has made, guidance that may be issued and actions the Company may take as a result of the Tax Act. The Company will continue to update the provisional estimates as information is obtained, such as state impacts regarding decoupling from the Tax Act provisions, realization of deferred amounts in the fiscal year, and accounting method elections that may be made by the Company.

In order to determine the Company's quarterly provision for income taxes, the Company used an estimated annual effective tax rate that is based on expected annual income and statutory tax rates in the various jurisdictions in which the Company operates. The Tax Act reduces the federal corporate tax rate to 21% in the fiscal year ending June 30, 2018. Section 15 of the Internal Revenue Code stipulates that our fiscal year ending June 30, 2018, had a blended corporate tax rate of 28%, which is based on the

applicable tax rates before and after the Tax Act and the number of days in the year. For the fiscal year ending June 30, 2019, the Company's federal corporate tax rate is 21%. Certain significant or unusual items are separately recognized in the quarter during which they occur and can be a source of variability in the effective tax rate from quarter to quarter.

Income tax expense for the three months ended September 30, 2018 was \$1.6, or approximately 200.0% of pre-tax income compared to \$4.5, or approximately 5.4% of pre-tax income, for the three months ended September 30, 2017. Income tax expense for the three months ended September 30, 2018 is based on the Company's estimated annual effective tax rate for the full fiscal year ending June 30, 2019, adjusted by discrete items recognized during the period. For the three months ended September 30, 2018, the Company's recognized effective tax rate differs from the U.S. federal statutory rate primarily due to the effect of the release of uncertain tax liabilities, recording deferred tax liabilities on foreign branch temporary differences due to a change in tax status, state income taxes, acquisition transaction costs, and differences related to the tax effect of equity compensation expense and the deduction realized when exercised, released or sold.

The Company files U.S., foreign and state income tax returns in jurisdictions with various statutes of limitations. The Company is currently under audit by the State of New Jersey for the fiscal years June 30, 2013 through 2017; and Germany for the fiscal years June 30, 2013 through 2015. Annual and interim tax provisions include amounts considered necessary to pay assessments that may result from examination of prior year tax returns; however, the amount ultimately paid upon resolution of issues may differ materially from the amount accrued.

## (12) SHARE-BASED COMPENSATION

On November 30, 2017, the Company's shareholders approved the adoption of the 2017 Employee, Director and Consultant Equity Incentive Plan (the "2017 Plan"). The 2017 Plan allows the Company, under the direction of the Compensation Committee of the Board of Directors, to make grants of restricted and unrestricted stock awards to employees, consultants and directors. The plan allows for issuance of up to 1.4 shares of common stock. In addition, as of September 30, 2018, the Company may grant additional shares of common stock under the 2017 Plan with respect to the 0.6 options outstanding under our 2003 Plan and 5.7 options and restricted stock units outstanding under our 2010 Plan, that expire or are cancelled without delivery of shares of common stock. At September 30, 2018, 0.4 shares of common stock were available for issuance under the 2017 Plan. If an RSU awarded under the 2017 Plan is cancelled or forfeited without the issuance of shares of common stock, the unissued or reacquired shares, which were subject to the RSU, shall again be available for issuance pursuant to the 2017 Plan.

The number of shares, terms, and vesting periods are determined by the Company's Board of Directors or a committee thereof on an option-by-option basis. Options generally vest ratably over service periods of four years. Options granted after December 5, 2012 expire eight years from the date of grant, and options granted prior to that date generally expire ten years from the date of grant. In September 2014, the Company began issuing restricted stock units ("RSUs") in lieu of stock options. RSUs granted to employees generally vest ratably over four years on the anniversary date of the designated day of the last week of the month in which the RSUs are granted. The number of RSUs awarded to certain executive officers may be reduced if certain additional performance metrics are not met. Options and RSUs granted to our non-employee directors vest in full upon completion of one year of service on the Board following the date of the grant.

### Stock Options

A summary of the stock option activity under the Company's plans for the three months ended September 30, 2018 is as follows:

	Number of shares	Weighted average exercise price
Options outstanding at June 30, 2018	6.3	\$ 24.50
Options granted	—	\$ —
Less:		
Options exercised	(0.6)	\$ 23.84
Options canceled or expired	—	\$ —
Options outstanding at September 30, 2018	5.7	\$ 24.57
Options exercisable at September 30, 2018	5.7	\$ 24.57

As of September 30, 2018, there was no unrecognized share-based compensation expense related to stock options.

## Restricted Stock Units

A summary of the RSU activity under the Company's plans for the three months ended September 30, 2018 is as follows:

	Number of shares	Weighted average grant date fair value
RSUs outstanding at June 30, 2018	2.2	\$ 31.12
RSUs granted	1.1	\$ 47.81
Less:		
RSUs vested	(0.8)	\$ 32.39
RSUs canceled	—	\$ —
RSUs outstanding at September 30, 2018	<u>2.5</u>	<u>\$ 38.06</u>

As of September 30, 2018, there was \$69.8 of total unrecognized share-based compensation expense related to RSUs that will be recognized over a weighted-average period of 2.7 years. This unrecognized compensation expense is equal to the fair value of RSUs expected to vest.

### Employee Stock Purchase Plan

The Company also has an Employee Stock Purchase Plan that was approved by shareholders in 2012 (the "2012 Purchase Plan"), under which 2.0 shares of common stock have been authorized. Shares are issued under the 2012 Purchase Plan twice yearly at the end of each offering period. As of September 30, 2018, approximately 0.7 shares of common stock have been issued under the 2012 Purchase Plan.

### Share-Based Compensation Expense

Share-based compensation expense recognized and included in the condensed consolidated statements of income and comprehensive income was allocated as follows:

	Three months ended September 30,	
	2018	2017
Cost of molecular diagnostic testing	\$ 0.2	\$ 0.2
Cost of pharmaceutical and clinical services	0.1	0.1
Research and development expense	1.2	0.8
Selling, general, and administrative expense	6.2	5.3
Total share-based compensation expense	<u>\$ 7.7</u>	<u>\$ 6.4</u>

## (13) FAIR VALUE MEASUREMENTS

The fair value of the Company's financial instruments reflects the amounts that the Company estimates it will receive in connection with the sale of an asset or pay in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value of contingent consideration related to the Sividon and Assurex acquisitions as well as the long-term debt were categorized as a level 3 liability, as the measurement amount is based primarily on significant inputs not observable in the market. The fair value hierarchy prioritizes the use of inputs used in valuation techniques into the following three levels:

Level 1— quoted prices in active markets for identical assets and liabilities.

Level 2— observable inputs other than quoted prices in active markets for identical assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Some of the Company's marketable securities primarily utilize broker quotes in a non-active market for valuation of these securities.

Level 3— unobservable inputs.

All of the Company's financial instruments are valued using quoted prices in active markets or based on other observable inputs. For Level 2 securities, the Company uses a third party pricing service which provides documentation on an ongoing basis that includes, among other things, pricing information with respect to reference data, methodology, inputs summarized by asset class, pricing application and corroborative information. For Level 3 contingent consideration, we reassess the fair value of expected contingent consideration and the corresponding liability each reporting period using the Monte Carlo Method, which is consistent with the initial measurement of the expected earn-out liability. This fair value measurement is considered a Level 3 measurement

because we estimate projections during the earn-out period utilizing various potential pay-out scenarios. Probabilities were applied to each potential scenario and the resulting values were discounted using a rate that considers weighted average cost of capital as well as a specific risk premium associated with the riskiness of the earn-out itself, the related projections, and the overall business. The contingent earn-out liabilities are classified as a component of long-term and short-term contingent consideration in our consolidated balance sheets. Changes to these estimated liabilities are reflected in change in the fair value of contingent consideration in our consolidated income statement. Changes to the unobservable inputs could have a material impact on the Company's financial statements.

The fair value of our long-term debt, which we consider a Level 3 measurement, is estimated using discounted cash flow analyses, based on the Company's current estimated incremental borrowing rates for similar borrowing arrangements. The fair value of long-term debt is estimated to be \$209.3 at September 30, 2018.

The following table sets forth the fair value of the financial assets and liabilities that the Company re-measures on a regular basis:

	Level 1	Level 2	Level 3	Total
September 30, 2018				
Money market funds (a)	\$ 6.1	\$ —	\$ —	\$ 6.1
Corporate bonds and notes	3.4	57.3	—	60.7
Municipal bonds	—	23.4	—	23.4
Federal agency issues	—	9.5	—	9.5
US government securities	—	8.2	—	8.2
Contingent consideration	—	—	(14.9)	(14.9)
Total	<u>\$ 9.5</u>	<u>\$ 98.4</u>	<u>\$ (14.9)</u>	<u>\$ 93.0</u>

(a) Money market funds are primarily comprised of exchange traded funds and accrued interest

	Level 1	Level 2	Level 3	Total
June 30, 2018				
Money market funds (a)	\$ 12.5	\$ —	\$ —	\$ 12.5
Corporate bonds and notes	2.8	50.5	—	53.3
Municipal bonds	—	29.2	—	29.2
Federal agency issues	—	12.4	—	12.4
US government securities	—	8.3	—	8.3
Contingent consideration	—	—	(14.5)	(14.5)
Total	<u>\$ 15.3</u>	<u>\$ 100.4</u>	<u>\$ (14.5)</u>	<u>\$ 101.2</u>

(a) Money market funds are primarily comprised of exchange traded funds and accrued interest

The following table reconciles the change in the fair value of the contingent consideration during the periods presented:

	Carrying amount
Balance June 30, 2018	\$ 14.5
Change in fair value recognized in the income statement	0.4
Ending balance September 30, 2018	<u>\$ 14.9</u>

#### (14) COMMITMENTS AND CONTINGENCIES

In February 2018, we received a Subpoena from the Department of Health and Human Services, Office of Inspector General, in connection with an investigation into possible false or otherwise improper claims submitted for payment under Medicare and Medicaid. The Subpoena requested that we produce documents relating primarily to our billing to government-funded healthcare programs for our hereditary cancer testing. The time period covered by the Subpoena is January 1, 2014 through the date of issuance of the Subpoena. We are cooperating with the Government's request and are in the process of responding to the Subpoena. We are unable to predict what action, if any, might be taken in the future by the Government or any other regulatory authority as a result of the matters related to this investigation. No claims have been made against the Company.

In addition, the Company is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its business activities. As of September 30, 2018, the management of the Company believes any reasonably possible liability that may result from the resolution of these matters will not have a material adverse effect on the Company's consolidated financial position, operating results, or cash flows.

**(15) EMPLOYEE DEFERRED SAVINGS PLAN**

The Company has a deferred savings plan which qualifies under Section 401(k) of the Internal Revenue Code. Substantially all of the Company's U.S. employees are covered by the plan. The Company makes matching contributions of 50% of each employee's contribution with the employer's contribution not to exceed 4% of the employee's compensation. The Company recorded contributions to the plan as follows:

	Three months ended September 30,	
	2018	2017
Deferred savings plan contributions	\$ 2.0	\$ 1.9

**(16) SEGMENT AND RELATED INFORMATION**

The Company's business is aligned with how the Chief Operating Decision Maker reviews performance and makes decisions in managing the Company. The business units have been aggregated into two reportable segments: (i) diagnostics and (ii) other. The diagnostics segment provides testing and collaborative development of testing that is designed to assess an individual's risk for developing disease later in life, identify a patient's likelihood of responding to drug therapy and guide a patient's dosing to ensure optimal treatment, or assess a patient's risk of disease progression and disease recurrence. The other segment provides testing products and services to the pharmaceutical, biotechnology and medical research industries, research and development, and clinical services for patients, and includes corporate services such as finance, human resources, legal and information technology.

Segment revenue and operating income (loss) were as follows during the periods presented:

	Diagnostics	Other	Total
<b>Three months ended September 30, 2018</b>			
Revenues	\$ 189.0	\$ 13.3	\$ 202.3
Depreciation and amortization	17.0	1.3	18.3
Segment operating income (loss)	27.6	(26.4)	1.2
<b>Three months ended September 30, 2017</b>			
Revenues	\$ 167.4	\$ 11.4	\$ 178.8
Depreciation and amortization	11.8	1.4	13.2
Segment operating income	30.6	53.4	84.0
<b>Three months ended September 30,</b>			
	2018	2017	
Total operating income for reportable segments	\$ 1.2	\$ 84.0	
Unallocated amounts:			
Interest income		0.7	0.4
Interest expense		(2.2)	(0.9)
Other		1.1	(0.3)
Income from operations before income taxes		0.8	83.2
Income tax provision		1.6	4.5
Net income (loss)		(0.8)	78.7
Net loss attributable to non-controlling interest		(0.1)	(0.1)
Net income (loss) attributable to Myriad Genetics, Inc. stockholders	\$	(0.7)	\$ 78.8

**(17) SUPPLEMENTAL CASH FLOW INFORMATION**

	Three months ended September 30,	
	2018	2017
Cash paid during the period for income taxes	\$ 4.9	\$ 5.2
Cash paid for interest	\$ (0.9)	\$ (1.0)

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### General

We are a leading personalized medicine company dedicated to being a trusted advisor transforming patient lives through pioneering molecular diagnostics. Through our proprietary technologies, we believe we are positioned to identify important disease genes, the proteins they produce, and the biological pathways in which they are involved to better understand the genetic basis of human disease and the role that genes and their related proteins may play in the disease process. We believe that identifying biomarkers (DNA, RNA and proteins) will enable us to develop novel molecular diagnostic tests that can provide important information to solve unmet medical needs that will provide better patient outcomes and reduce waste in the healthcare system. During the three months ended September 30, 2018, we reported total revenues of \$202.3 million and net loss of \$0.7 million that included income tax expense of \$1.6 million resulting in \$(0.01) diluted earnings per share.

Our business units have been aligned with how the Chief Operating Decision Maker reviews performance and makes decisions in managing the Company. The business units have been aggregated into two reportable segments: (i) diagnostics and (ii) other. The diagnostics segment provides testing and collaborative development of testing that is designed to assess an individual’s risk for developing disease later in life, identify a patient’s likelihood of responding to drug therapy and guide a patient’s dosing to ensure optimal treatment, or assess a patient’s risk of disease progression and disease recurrence. The other segment provides testing products and services to the pharmaceutical, biotechnology and medical research industries, research and development, and clinical services for patients, and includes corporate services such as finance, human resources, legal and information technology.

### Business Highlights

On July 31, 2018, we completed the acquisition of Counsyl, Inc, a leading provider of genetic testing and DNA analysis services pursuant to the Agreement and Plan of Merger, dated May 25, 2018. Pursuant to the terms of the Merger Agreement, Myriad Merger Sub, Inc., a newly-created wholly-owned subsidiary of the Company, was merged with and into Counsyl, with Counsyl continuing as the surviving corporation and a wholly-owned subsidiary of Myriad. On August 30, 2018, we changed the corporate name of Counsyl to Myriad Women’s Health, Inc. We believe the acquisition allows for greater entry into the high-growth reproductive testing market, with the ability to become a leader in women’s health genetic testing.

During the quarter ended September 30, 2018, the results of the GeneSight IMPACT study were published in the *Journal of Psychiatric Research*. In the study, patients treated by primary care physicians had 27 percent greater symptom improvement, 35 percent increased response and 63 percent greater remission than those treated by psychiatrists. We also received our second FDA approval for patients with HER2 – metastatic breast cancer for BRACAnalysis CDx in conjunction with Pfizer’s PARP inhibitor talazoparib. There was also a landmark study published in the *Journal of the American Medical Association* that demonstrated the importance of Myriad’s variant reclassification program. The study, which evaluated over 1.45 million patient test reports over a 10 year period, found that approximately 60,000 patients had their test reports amended representing approximately 25 percent of all variant of unknown significant classifications reported to patients. Almost one in ten of these amendments led to an upgrade of a previously unclassified variant to a deleterious mutation. This quarter, the Company also received a draft local coverage determination (LCD) for myPath Melanoma from Noridian Healthcare Solutions, our Medicare administrative contractor. This LCD creates the potential for Medicare coverage of myPath Melanoma in late fiscal year 2019.

### Results of Operations for the Three Months Ended September 30, 2018 and 2017

#### Revenue

(In millions)	Three months ended		Change
	September 30,		
	2018	2017	
Revenue	\$ 202.3	\$ 178.8	\$ 23.5

The increase in revenue is primarily due to the inclusion of \$18.1 million in Prenatal revenue due to the acquisition of Counsyl and \$2.3 million in Prolaris revenue due to increased volumes and reimbursement. These increases were partially offset by decreases of \$1.0 in Vectra revenue due to reduced volumes and \$0.7 million reduction in Hereditary Cancer Testing due to reduced reimbursement.

The following table presents additional detail regarding the composition of our total revenue for the three months ended September 30, 2018 and 2017:

<i>(In millions)</i>	Three months ended September 30,		\$ Change	% of Total Revenue	
	2018	2017		2018	2017
<b>Molecular diagnostic revenues:</b>					
Hereditary Cancer Testing	\$ 116.3	\$ 117.0	\$ (0.7)	58%	65%
GeneSight	29.3	28.8	0.5	14%	16%
Prenatal	18.1	—	18.1	9%	0%
VectraDA	13.0	14.0	(1.0)	6%	8%
Prolaris	6.2	3.9	2.3	3%	2%
EndoPredict	2.4	1.8	0.6	1%	1%
Other	3.7	1.9	1.8	2%	1%
<b>Total molecular diagnostic revenue</b>	<b>189.0</b>	<b>167.4</b>	<b>21.6</b>		
Pharmaceutical and clinical service revenue	13.3	11.4	1.9	7%	7%
<b>Total revenue</b>	<b>\$ 202.3</b>	<b>\$ 178.8</b>	<b>\$ 23.5</b>	<b>100%</b>	<b>100%</b>

#### Cost of Sales

<i>(In millions)</i>	Three months ended September 30,		Change
	2018	2017	
Cost of sales	\$ 49.7	\$ 43.0	\$ 6.7
Cost of sales as a % of sales	24.6%	24.0%	

Cost of sales as a percentage of revenue increased slightly from 24.0% to 24.6% during the three months ended September 30, 2018 compared to the same period in the prior year. The increase was primarily driven by higher testing volumes and lower gross margins associated with the Counsyl business, partially offset by the implementation of efficiency programs in our DNA, RNA, and protein based laboratories.

#### Research and Development Expenses

<i>(In millions)</i>	Three months ended September 30,		Change
	2018	2017	
R&D expense	\$ 21.1	\$ 17.8	\$ 3.3
R&D expense as a % of sales	10.4%	10.0%	

Research and development expense for the three months ended September 30, 2018 increased compared to the same period in the prior year primarily driven by \$3.9 million in costs related to the inclusion of Counsyl. This increase was partially offset by a \$0.4 million reduction related to internal development of existing products.

#### Change in the Fair Value of Contingent Consideration

<i>(In millions)</i>	Three months ended September 30,		Change
	2018	2017	
Change in the fair value of contingent consideration	\$ 0.4	\$ (73.2)	\$ 73.6
Change in the fair value of contingent consideration as a % of sales	0.2%	(40.9)%	

The fair value of contingent consideration for the three months ended September 30, 2018 increased compared to the same period in the prior year due to increase in the fair value of contingent consideration related to the Sividon acquisition as well as the one-time benefit received in the prior year resulting from not having to pay the clinical trial milestone associated with the guided study.

## Selling, General and Administrative Expenses

(In millions)	Three months ended September 30,		Change
	2018	2017	
SG&A expense	\$ 129.9	\$ 107.2	\$ 22.7
SG&A expense as a % of sales	64.2%	60.0%	

Selling, general and administrative expense increased for the three months ended September 30, 2018 compared to the same period in the prior year primarily due to \$19.4 million in costs related to the inclusion of Counsyl (\$4.1 million of which is amortization) and \$9.6 million in costs related to the acquisition and integration of Counsyl. These increases were partially offset by savings related to our Elevate 2020 initiative, which is our company-wide efficiency program.

## Other Income (Expense)

(In millions)	Three months ended September 30,		Change
	2018	2017	
Other expense	\$ (0.4)	\$ (0.8)	\$ 0.4

For the three months ended September 30, 2018 compared to the same period in the prior year, the change in other income expense was primarily driven by increase in gains on the disposition of assets and unrealized gains. These were partially offset by an increase in interest expense related to the debt incurred to fund the acquisition of Counsyl.

## Income Tax Expense

(In millions)	Three months ended September 30,		Change
	2018	2017	
Income tax expense	\$ 1.6	\$ 4.5	\$ (2.9)
Effective tax rate	200.0%	5.4%	

Our tax rate is the product of a blended U.S. federal effective rate of 21% and a blended state income tax rate of approximately 3%. Certain significant or unusual items are separately recognized during the period in which they occur and can be a source of variability in the effective tax rates from period to period.

Income tax expense for the three months ended September 30, 2018 is \$1.6 million for an effective tax rate of 200.0%. The decrease in the effective rate for the three months ended September 30, 2018 as compared to the same period in prior year is due to the release of uncertain tax liabilities, state income taxes, recording deferred tax liabilities on foreign branch temporary differences due to a change in tax status, acquisition transaction cost, and the differences related to the tax effect of equity compensation expense and the deduction realized when exercised, released or sold.

## Liquidity and Capital Resources

We believe that our existing capital resources and the cash to be generated from future sales will be sufficient to meet our projected operating requirements, including contingent consideration and repayment of the outstanding Facility which matures on July 31, 2023, for the foreseeable future. There are no scheduled principal payments of the Facility prior to its maturity date; however, our available capital resources may be consumed more rapidly than currently expected and we may need or want to raise additional financing. We may not be able to secure such financing in a timely manner or on favorable terms, if at all. Without additional funds, we may be forced to delay, scale back or eliminate some of our sales and marketing efforts, research and development activities, or other operations and potentially delay development of our diagnostic tests in an effort to provide sufficient funds to continue our operations. If any of these events occurs, our ability to achieve our development and commercialization goals would be adversely affected.

Our capital deployment strategy focuses on use of resources in three key areas: research and development, acquisitions and the repurchase of our common stock. We believe that research and development provides the best return on invested capital. We also allocate capital for acquisitions that support our business strategy and share repurchases based on business and market conditions.

The following table represents the balances of cash, cash equivalents and marketable investment securities:

<i>(In millions)</i>	September 30, 2018	June 30, 2018	Change
Cash and cash equivalents	\$ 93.3	\$ 110.9	\$ (17.6)
Marketable investment securities	74.2	69.7	4.5
Long-term marketable investment securities	24.2	30.7	(6.5)
Cash, cash equivalents and marketable investment securities	\$ 191.7	\$ 211.3	\$ (19.6)

The decrease in cash and cash equivalents was primarily driven by \$279.6 million cash paid for the acquisition of Counsyl, \$40.0 million in repayments of the credit facility and \$6.7 million reduction in net income excluding the change in the fair value of contingent consideration. This was partially offset by \$290.0 million in cash proceeds from our credit facility and \$7.8 million in cash provided by operating activities.

The following table represents the condensed consolidated cash flow statement:

<i>(In millions)</i>	Three months ended September 30,		Change
	2018	2017	
Cash flows from operating activities	\$ 7.8	23.5	\$ (15.7)
Cash flows from investing activities	(279.0)	(15.2)	(263.8)
Cash flows from financing activities	252.1	(23.3)	275.4
Effect of foreign exchange rates on cash and cash equivalents	1.5	0.5	1.0
Net increase (decrease) in cash and cash equivalents	(17.6)	(14.5)	(3.1)
Cash and cash equivalents at the beginning of the year	110.9	102.4	8.5
Cash and cash equivalents at the end of the period	\$ 93.3	\$ 87.9	\$ 5.4

#### *Cash Flows from Operating Activities*

The decrease in cash flows from operating activities for the three months ended September 30, 2018, compared to the same period in the prior year, was primarily due to a \$7.2 million decrease in non-cash charges and \$6.7 million decrease in net income excluding contingent consideration and a decrease of \$1.8 million related to changes in assets and liabilities associated with operating activities.

#### *Cash Flows from Investing Activities*

For the three months ended September 30, 2018, compared to the same period in the prior year, the increase in cash used in investing activities was driven primarily by the \$279.6 million acquisition of Counsyl. This was partially offset by a \$15.5 million increase in net proceeds from marketable investment securities.

#### *Cash Flows from Financing Activities*

For the three months ended September 30, 2018, compared to the same period in the prior year, the increase in cash flows from financing activities was driven primarily by the \$290.0 million increase in net proceeds from the revolving credit facility. These increases in cash flows were partially offset by \$15.0 million in additional cash paid for repayment of the revolving credit facility.

#### *Effects of Inflation*

We do not believe that inflation has had a material impact on our business, sales, or operating results during the periods presented.

#### *Share Repurchase Program*

In June 2016, our Board of Directors authorized an eighth share repurchase program of \$200.0 million of our outstanding common stock. We plan to repurchase our common stock from time to time or on an accelerated basis through open market transactions or privately negotiated transactions as determined by our management. The amount and timing of stock repurchases under the program will depend on business and market conditions, stock price, trading restrictions, acquisition activity and other factors. As of September 30, 2018, we have \$160.7 million remaining on our current share repurchase authorization. See also “Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds – Issuer Purchases of Equity Securities.”

## Critical Accounting Policies

Critical accounting policies are those policies which are both important to the presentation of a company's financial condition and results and require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. During the first quarter of fiscal 2019, we adopted new accounting guidance related to revenue recognition and accounting for financial instruments, each of which is described above at "Recently Adopted Accounting Pronouncements." There have been no other significant changes significant changes to our accounting policies took place during the period. For a further discussion of our critical accounting policies, see our Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

## Certain Factors That May Affect Future Results of Operations

The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This Quarterly Report on Form 10-Q contains such "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Words such as "may," "anticipate," "estimate," "expects," "projects," "intends," "plans," "believes," "potential," "could," "would," "continue," "likely," "will," "strategy," "goal" and words and terms of similar substance used in connection with any discussion of future operating or financial performance, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those described in the forward-looking statements. These risks include, but are not limited to: the risk that sales and profit margins of our existing molecular diagnostic tests and pharmaceutical and clinical services may decline or will not continue to increase at historical rates; risks related to our ability to transition from our existing product portfolio to our new tests; risks related to changes in the governmental or private insurers' coverage and reimbursement levels for our tests or our ability to obtain reimbursement for our new tests at comparable levels to our existing tests; risks related to increased competition and the development of new competing tests and services; the risk that we may be unable to develop or achieve commercial success for additional molecular diagnostic tests and pharmaceutical and clinical services in a timely manner, or at all; the risk that we may not successfully develop new markets for our molecular diagnostic tests and pharmaceutical and clinical services, including our ability to successfully generate revenue outside the United States; the risk that licenses to the technology underlying our molecular diagnostic tests and pharmaceutical and clinical services tests and any future tests are terminated or cannot be maintained on satisfactory terms; risks related to delays or other problems with operating our laboratory testing facilities; risks related to public concern over our genetic testing in general or our tests in particular; risks related to regulatory requirements or enforcement in the United States and foreign countries and changes in the structure of the healthcare system or healthcare payment systems; risks related to our ability to obtain new corporate collaborations or licenses and acquire new technologies or businesses on satisfactory terms, if at all; risks related to our ability to successfully integrate and derive benefits from any technologies or businesses that we license or acquire, including but not limited to our acquisition of Counsyl, Assurex, Crescendo, Sividon and the Clinic; risks related to our projections about the potential market opportunity for our products; the risk that we or our licensors may be unable to protect or that third parties will infringe the proprietary technologies underlying our tests; the risk of patent-infringement claims or challenges to the validity of our patents; risks related to changes in intellectual property laws covering our molecular diagnostic tests and pharmaceutical and clinical services and patents or enforcement in the United States and foreign countries, such as the Supreme Court decision in the lawsuit brought against us by the Association for Molecular Pathology et al; risks of new, changing and competitive technologies and regulations in the United States and internationally; the risk that we may be unable to comply with financial operating covenants under our credit or lending agreements; the risk that we will be unable to pay, when due, amounts due under our creditor lending agreements; and other factors discussed under the heading "Risk Factors" contained in Item 1A of our Annual report on Form 10-K for the fiscal year ended June 30, 2018, which has been filed with the Securities and Exchange Commission, as well as any updates to those risk factors filed from time to time in our Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this Quarterly Report or in any document incorporated by reference might not occur. Stockholders are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to us or to any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk during the three months ended September 30, 2018 compared to the disclosures in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2018, which is incorporated by reference herein.

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures.***

Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

##### ***Changes in Internal Controls***

As of September 30, 2018, we are in the process of remediating the material weakness over financial reporting related to insufficient controls to fully and timely take into account changes in the business environment and experience with ultimate collection from third-party payors in the determination of sales allowance amounts; however, the material weakness cannot be considered remediated until the deficient controls have been tested for effectiveness.

During the three months ended September 30, 2018, we implemented changes to our processes in response to the adoption of Accounting Standards Update No. 2014-09 "Revenue from Contracts with Customers (Topic 606)" that became effective July 1, 2018. The operating effectiveness of these changes will be evaluated as part of our annual assessment of the effectiveness of internal controls over financial reporting.

Other than described above, there were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II - Other Information**

### **Item 1. Legal Proceedings**

#### ***Investigations of the Department of Health and Human Services, Office of Inspector General***

In February 2018, we received a Subpoena from the Department of Health and Human Services, Office of Inspector General, in connection with an investigation into possible false or otherwise improper claims submitted for payment under Medicare and Medicaid. The Subpoena requested that we produce documents relating primarily to our billing to government-funded healthcare programs for our hereditary cancer testing. The time period covered by the Subpoena is January 1, 2014 through the date of issuance of the Subpoena. We are cooperating with the Government's request and are in the process of responding to the Subpoena. We are unable to predict what action, if any, might be taken in the future by the Government or any other regulatory authority as a result of the matters related to this investigation. No claims have been made against us.

In June 2016, our wholly-owned subsidiary, Crescendo Bioscience, Inc. ("CBI"), received a Subpoena from the Department of Health and Human Services, Office of Inspector General, requesting that CBI produce documents relating to a designated unrelated company, other third party entities, and healthcare providers who received payment from CBI for the collection and processing of blood specimens for testing. In connection with this investigation, in December 2017, the Government requested additional documents. CBI is providing the documents requested and continues to cooperate with the Government's requests. CBI is unable to predict what action, if any, might be taken in the future by the Government or any other regulatory authority as a result of the matters related to this investigation. No claims have been made against CBI.

#### ***Purported Securities Class Action Claims***

A. On April 20, 2018, Matthew Kessman, individually and on behalf of all others similarly situated, filed a purported class action complaint in the United States District Court, District of Utah, No. 2:18-cv-0336-DAK-EJF, against us, our President and Chief Executive Officer, Mark C. Capone, our former President and Chief Executive Officer, Peter D. Meldrum, our Executive Vice President and Chief Financial Officer, R. Bryan Riggsbee, and our former Chief Financial Officer, James S. Evans (collectively the "Defendants"). This action is premised upon allegations that the Defendants allegedly made false and misleading statements regarding our business, operational and compliance policies, specifically by allegedly failing to disclose that the Company was allegedly submitting false or otherwise improper claims for payment under Medicare and Medicaid for our hereditary cancer testing. The plaintiff seeks certification as the purported class representative and the payment of damages allegedly sustained by plaintiff and the purported class by reason of the allegations set forth in the complaint, plus interest, and legal and other costs and fees.

The District Court has designated Lead Plaintiffs for this matter, and on August 31, 2018, Lead Plaintiffs filed an Amended Class Action Complaint to seek recovery for compensable damages, as set forth in the amended complaint, caused by the Defendants' alleged violations of the federal securities laws, and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On October 30, 2018, we filed our Motion to Dismiss Amended Class Action Complaint requesting that the amended complaint be dismissed in its entirety, with prejudice, for failure to state a claim. We intend to vigorously defend against this action.

B. On August 24, 2018, Assurex Health, Inc. was served with an Amended Complaint which had been filed in the Circuit Court of Cook County, Illinois, County Department, Law Division, Civil Action No. 2018 L 004972, by Pipe Trades Services MN Welfare Plan ("Pipe Trades"), as a *qui tam* relator, on behalf of the State of Illinois, Pipe Trades, and all others similarly situated, purportedly arising from Assurex's alleged violations of the Illinois Insurance Claims Fraud Prevention Act and other causes of action. Pipe Trades seeks certification of a putative class, certification as the purported class representative, and the payment of treble damages allegedly sustained by Pipe Trades and the purported class by reason of the allegations set forth in the amended complaint, plus statutory damages and penalties, plus interest, and legal and other costs and fees. The State of Illinois and Cook County, Illinois, have declined to intervene in the matter. On October 22, 2018, Assurex filed its Motion to Dismiss Plaintiff's Amended Complaint for Lack of Personal Jurisdiction requesting that the amended complaint be dismissed in its entirety, with prejudice, for lack of personal jurisdiction. We intend to vigorously defend against this action.

Other than as set forth above, we are not a party to any legal proceedings that we believe will have a material impact on our business, financial position or results of operations.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.****Issuer Purchases of Equity Securities**

In June 2016, we announced that our Board of Directors had authorized us to repurchase an additional \$200.0 million of our outstanding common stock increasing the cumulative share repurchase authorization since we first authorized the program in May 2010 to \$1.4 billion. In connection with our most recent stock repurchase authorization, we have been authorized to complete the repurchase through open market transactions or through an accelerated share repurchase program, in each case to be executed at management's discretion based on business and market conditions, stock price, trading restrictions, acquisition activity and other factors. As of the date of this report, we have not entered into an accelerated share repurchase agreement under our most recent stock repurchase program. The repurchase program may be suspended or discontinued at any time without prior notice. The transactions effectuated to date occurred in open market purchases.

During the three months ended September 30, 2018 we acquired the following shares of common stock under our stock repurchase program:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2018 to July 31, 2018	—	\$ —	—	160.7
August 1, 2018 to August 31, 2018	—	\$ —	—	160.7
September 1, 2018 to September 31, 2018	—	\$ —	—	160.7
Total	—	—	—	160.7

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

None.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

10.1 [Form of Executive Retention Agreement, as amended+@.](#)

10.2 [Form of Indemnification Agreement+@.](#)

31.1 [Certification of Chief Executive Officer pursuant to Section 302\(a\) of the Sarbanes-Oxley Act of 2002.](#)

31.2 [Certification of Chief Financial Officer pursuant to Section 302\(a\) of the Sarbanes-Oxley Act of 2002.](#)

32.1 [Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(Furnished\).](#)

101 The following materials from Myriad Genetics, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, formatted in XBRL (Extensible Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets, (ii) the unaudited Condensed Consolidated Statements of Operations (iii) the unaudited Consolidated Statement of Comprehensive Income, (iv) the unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.

(+) Management contract or compensatory plan arrangement.

(@) The agreements with all executives are identical except for the executive who is a party to the agreement and the date of execution, which are listed at the end of the exhibit.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MYRIAD GENETICS, INC.

Date: November 6, 2018

By: /s/ Mark C. Capone

Mark C. Capone  
President and Chief Executive Officer  
(Principal executive officer)

Date: November 6, 2018

By: /s/ R. Bryan Riggsbee

R. Bryan Riggsbee  
Executive Vice President, Chief Financial Officer  
(Principal financial and chief accounting officer)

**MYRIAD GENETICS, INC.**

Executive Retention Agreement

THIS EXECUTIVE RETENTION AGREEMENT (this “Agreement”), by and between Myriad Genetics, Inc., a Delaware corporation (the “Company”), and \_\_\_\_\_ (the “Executive”), is made as of \_\_\_\_\_, (the “Effective Date”).

WHEREAS, the Company recognizes that, as is the case with many publicly-held corporations, the possibility of a change in control of the Company exists and that such possibility, and the uncertainty and questions which it may raise among key personnel, may result in the departure or distraction of key personnel to the detriment of the Company and its stockholders, and

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that appropriate steps should be taken to reinforce and encourage the continued employment and dedication of the Company’s key personnel without distraction from the possibility of a change in control of the Company and related events and circumstances.

NOW, THEREFORE, as an inducement for and in consideration of the Executive remaining in its employ, the Company agrees that the Executive shall receive the benefits set forth in this Agreement, including without limitation, those benefits in the event the Executive’s employment with the Company is terminated under the circumstances described below subsequent to a Change in Control (as defined in Section 1.1).

1. Key Definitions.

As used herein, the following terms shall have the following respective meanings:

1.1 “Change in Control” means an event or occurrence set forth in any one or more of subsections (a) through (d) below (including an event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection):

(a) the acquisition by an individual, entity or group (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 20% or more of either (i) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (ii) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person

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exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), (ii) any acquisition by the Company, or (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company; or

(b) such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term “Continuing Director” means at any date a member of the Board (i) who was a member of the Board on the date of the execution of this Agreement or (ii) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (ii) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(c) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company in one or a series of transactions (a “Business Combination”), unless, immediately following such Business Combination, the following condition is satisfied: all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company’s assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the “Acquiring Corporation”) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively; or

(d) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

1.2 “Change in Control Date” means the first date during the Term (as defined in Section 2) on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if (a) a Change in Control occurs, (b) the Executive’s employment with the Company is terminated prior to the date on which the Change in Control occurs, and (c) it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement the “Change in Control Date” shall mean the date immediately prior to the date of such termination of employment.

1.3“Cause” means:

(a)the Executive’s willful and continued failure to substantially perform his or her reasonable assigned duties (other than any such failure resulting from incapacity due to physical or mental illness or any failure after the Executive gives notice of termination for Good Reason), which failure is not cured within 30 days after a written demand for substantial performance is received by the Executive from the Board of Directors of the Company which specifically identifies the manner in which the Board of Directors believes the Executive has not substantially performed the Executive’s duties; or

(b)the Executive’s willful engagement in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this Section 1.3, no act or failure to act by the Executive shall be considered “willful” unless it is done, or omitted to be done, in bad faith and without reasonable belief that the Executive’s action or omission was in the best interests of the Company.

1.4“Good Reason” means the occurrence, without the Executive’s written consent, of any of the events or circumstances set forth in clauses (a) through (f) below.

(a)the assignment to the Executive of duties inconsistent in any material respect with the Executive’s position (including status, offices, titles and reporting requirements), authority or responsibilities in effect immediately prior to the earliest to occur of (i) the Change in Control Date, (ii) the date of the execution by the Company of the initial written agreement or instrument providing for the Change in Control or (iii) the date of the adoption by the Board of Directors of a resolution providing for the Change in Control (with the earliest to occur of such dates referred to herein as the “Measurement Date”), or any other action or omission by the Company which results in a material diminution in such position, authority or responsibilities;

(b)a material reduction in the Executive’s annual base salary as in effect on the Measurement Date;

(c)the failure by the Company to (i) continue in effect any material compensation, pension, retirement or benefit plan or program (including without limitation any 401(k), life insurance, medical, health and accident or disability plan and any vacation program or policy) (a “Benefit Plan”) in which the Executive participates or which is applicable to the Executive immediately prior to the Measurement Date, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan or program, (ii) continue the Executive’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the Executive’s participation relative to other participants, than the basis existing immediately prior to the Measurement Date or (iii) award cash bonuses to the Executive in amounts and in a manner substantially consistent with past practice;

(d)a change by the Company in the location at which the Executive performs his or her principal duties for the Company to a new location that is both (i) outside a radius of 50 miles from the Executive’s principal residence immediately prior to the

Measurement Date and (ii) more than 50 miles from the location at which the Executive performed his or her principal duties for the Company immediately prior to the Measurement Date; or a requirement by the Company that the Executive travel on Company business to a substantially greater extent than required immediately prior to the Measurement Date;

(e) the failure of the Company to obtain the agreement from any successor to the Company to assume and agree to perform this Agreement, as required by Section 7.1; or

(f) any failure of the Company to pay or provide to the Executive any portion of the Executive's compensation or benefits due under any Benefit Plan within seven days of the date such compensation or benefits are due, or any material breach by the Company of this Agreement or any employment agreement with the Executive.

In addition, in an effort to foster and retain the employment of the Executive following a Change in Control, the termination of employment by the Executive for any reason (except for those set forth in section 1.4(a)-(f)), or no reason, during the 90-day period beginning on the first anniversary of the Change in Control Date shall be deemed to be termination for Good Reason for all purposes under this Agreement; however, in the case of a termination of employment by the Executive pursuant to this paragraph, those benefits payable to the Executive under section 4.1(a)(i)(2) shall be reduced by one-half.

The Executive's right to terminate his or her employment for Good Reason shall not be affected by his or her incapacity due to physical or mental illness.

1.5 "Disability" means the Executive's absence from the full-time performance of the Executive's duties with the Company for 180 consecutive calendar days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive's legal representative.

2. Term of Agreement. This Agreement, and all rights and obligations of the parties hereunder, shall take effect upon the Effective Date and shall expire upon the first to occur of (a) the expiration of the Term (as defined below) if a Change in Control has not occurred during the Term, (b) the date 24 months after the Change in Control Date, if the Executive is still employed by the Company as of such later date, or (c) the fulfillment by the Company of all of its obligations under this Agreement if the Executive's employment with the Company terminates within 24 months following the Change in Control Date. "Term" shall mean the period commencing as of the Effective Date and continuing in effect through December 31, 2015; provided, however, that commencing on January 1, 2016 and each January 1 thereafter, the Term shall be automatically extended for one additional year unless, not later than 90 days prior to the scheduled expiration of the Term (or any extension thereof), the Company shall have given the Executive written notice that the Term will not be extended.

### 3. Employment Status; Termination Following Change in Control.

3.1 Not an Employment Contract. The Executive acknowledges that this Agreement does not constitute a contract of employment or impose on the Company any

obligation to retain the Executive as an employee and that this Agreement does not prevent the Executive from terminating employment at any time. If the Executive's employment with the Company terminates for any reason and subsequently a Change in Control shall occur, the Executive shall not be entitled to any benefits hereunder except as otherwise provided pursuant to Section 1.2.

### 3.2 Termination of Employment.

(a) If the Change in Control Date occurs during the Term, any termination of the Executive's employment by the Company or by the Executive within 24 months following the Change in Control Date (other than due to the death of the Executive) shall be communicated by a written notice to the other party hereto (the "Notice of Termination"), given in accordance with Section 8. Any Notice of Termination shall: (i) indicate the specific termination provision (if any) of this Agreement relied upon by the party giving such notice, (ii) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) specify the Date of Termination (as defined below). The effective date of an employment termination (the "Date of Termination") shall be the close of business on the date specified in the Notice of Termination (which date may not be less than 15 days or more than 120 days after the date of delivery of such Notice of Termination) in the case of a termination other than one due to the Executive's death. In the case of the Executive's death, the Date of Termination shall be the date of the Executive's death. In the event the Company fails to satisfy the requirements of Section 3.2(a) regarding a Notice of Termination, the purported termination of the Executive's employment pursuant to such Notice of Termination shall not be effective for purposes of this Agreement.

(b) The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting any such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(c) Any Notice of Termination for Cause given by the Company must be given within 90 days of the occurrence (or if later, the discovery) of the event(s) or circumstance(s) which constitute(s) Cause. Prior to any Notice of Termination for Cause being given (and prior to any termination for Cause being effective), the Executive shall be entitled to a hearing before the Board of Directors of the Company at which he or she may, at his or her election, be represented by counsel and at which he or she shall have a reasonable opportunity to be heard. Such hearing shall be held on not less than 15 days prior written notice to the Executive stating the Board of Directors' intention to terminate the Executive for Cause and stating in detail the particular event(s) or circumstance(s) which the Board of Directors believes constitutes Cause for termination.

(d) Any Notice of Termination for Good Reason given by the Executive must be given within 90 days of the occurrence of the event(s) or circumstance(s) which constitute(s) Good Reason.

4.

Benefits to Executive.

4.1 Benefits. If a Change in Control Date occurs during the Term and the Executive's employment with the Company terminates within 24 months following the Change in Control Date, the Executive shall be entitled to the following benefits:

(a) Termination Without Cause or for Good Reason. If the Executive's employment with the Company is terminated by the Company (other than for Cause, Disability or Death) or by the Executive for Good Reason within 24 months following the Change in Control Date, then the Executive shall be entitled to the following benefits:

(i) the Company shall pay to the Executive the following amounts:

(1) in a lump sum, in cash, within 30 days after the Date of Termination, the sum of (A) the Executive's base salary through the Date of Termination, (B) a pro rata current year bonus amount (calculated by dividing the number of full and partial months of the current fiscal year in which the Executive is employed through the Date of Termination by 12, and multiplying this fraction by the highest annual bonus payment amount paid to Executive in the preceding three years), and (C) any accrued vacation pay, in each case to the extent not previously paid (the sum of the amounts described in clauses (A), (B), and (C) shall be hereinafter referred to as the "Accrued Obligations"); and

(2) in a lump sum, in cash, within 30 days after the Date of Termination, the sum of (A) three times the Executive's highest annual base salary at the Company during the three-year period prior to the Change in Control Date and (B) three times the Executive's highest annual bonus amount at the Company during the three-year period prior to the Change in Control Date;

(ii) for 36 months after the Date of Termination, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, each month the Company shall continue to provide benefits to the Executive and the Executive's family at least equal to those which would have been provided to them if the Executive's employment had not been terminated, in accordance with the applicable Benefit Plans in effect on the Measurement Date or, if more favorable to the Executive and his or her family, in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive a particular type of benefits (e.g., health insurance benefits) from such employer on terms at least as favorable to the Executive and his or her family as those being provided by the Company, then the Company shall no longer be required to provide those particular benefits to the Executive and his or her family; and

(iii) to the extent not previously paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive following the Executive's termination of employment under any plan, program, policy, practice, contract or agreement of the Company

and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”).

(b)Resignation without Good Reason; Termination for Death or Disability. If the Executive voluntarily terminates his or her employment with the Company within 24 months following the Change in Control Date, excluding a termination for Good Reason, or if the Executive’s employment with the Company is terminated by reason of the Executive’s death or Disability within 24 months following the Change in Control Date, then the Company shall (i) pay the Executive (or his or her estate, if applicable), in a lump sum in cash within 30 days after the Date of Termination, the Accrued Obligations and (ii) timely pay or provide to the Executive the Other Benefits.

(c)Termination for Cause. If the Company terminates the Executive’s employment with the Company for Cause within 24 months following the Change in Control Date, then the Company shall only pay the Executive such amounts, and provide such benefits, as is required by law.

4.2Vesting of Stock Options. Upon the occurrence of a Change in Control, the Company shall cause all Executive options to purchase Company stock, which options were issued pursuant to the Company’s employee stock option plans and which options are outstanding immediately prior to the Change in Control Date, to become fully vested and exercisable as of the Change in Control Date.

4.3 Mitigation. The Executive shall not be required to mitigate the amount of any payment or benefits provided for in this Section 4 by seeking other employment or otherwise. Further, the amount of any payment or benefits provided for in this Section 4 shall not be reduced by any compensation earned by the Executive as a result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company or otherwise.

4.4Outplacement Services. In the event the Executive is terminated by the Company (other than for Cause, Disability or Death), or the Executive terminates employment for Good Reason, within 24 months following the Change in Control Date, the Company shall provide outplacement services through one or more outside firms of the Executive’s choosing up to an aggregate of \$25,000, with such services to extend until the first to occur of (i) 12 months following the termination of Executive’s employment, or (ii) the date the Executive secures full time employment.

4.5Release. As a condition to Executive receiving the benefits under section 4.1(a)(i)(2) and (3), the Executive must first execute and deliver to Company a general release of claims against the Company and its affiliates in a form substantially similar to the general release attached hereto as Exhibit A, and such release, by its terms, has become irrevocable.

5.

## Limitations on Payment.

5.1General. Notwithstanding anything in this Agreement to the contrary, in the event it shall be determined that any payment, benefit or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended; and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, (the "Excise Tax"), then the Company shall cause to be determined, before any amounts of the Payment are paid to Executive, which of the following alternative forms of payment would maximize Executive's after-tax proceeds: (i) payment in full of the entire amount of the Payment (a "Full Payment"), or (ii) payment of only a part of the Payment so that Executive receives that largest Payment possible without being subject to the Excise Tax (a "Reduced Payment"), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax (all computed at the highest marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment, notwithstanding that all or some portion the Payment may be subject to the Excise Tax. Any Excise Tax due shall be borne solely by the Executive.

5.2Procedures. All determinations required to be made under this Section 5, and the assumptions to be utilized in arriving at such determination, shall be made by KPMG LLP or such other certified public accounting firm as may be designated by the Executive and reasonably acceptable to the Company (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Executive may appoint another nationally recognized accounting firm and reasonably acceptable to the Company to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

## 6.Disputes.

6.1Settlement of Disputes; Arbitration. All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board of Directors of the Company and shall be in writing. Any denial by the Board of Directors of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board of Directors shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim. Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Salt Lake City, Utah, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

6.2 Expenses. The Company agrees to pay as incurred, to the full extent permitted by law, all legal, accounting and other fees and expenses which the Executive may reasonably incur as a result of any claim or contest (regardless of the outcome thereof) by the Company, the Executive or others regarding the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive regarding the amount of any payment or benefits pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Code. This Section 6.2 shall not apply to any claim made by the Executive which is not made in good faith or which is determined by the arbitrator or a court to be frivolous.

6.3 Compensation During a Dispute. If the Change in Control Date occurs during the Term and the Executive's employment with the Company terminates within 24 months following the Change in Control Date, and the right of the Executive to receive any benefits under this Agreement (or the amount or nature of the benefits to which he or she is entitled to receive) are the subject of a dispute between the Company and the Executive, the Company shall continue (a) to pay to the Executive his or her base salary in effect as of the Measurement Date and (b) to provide benefits to the Executive and the Executive's family at least equal to those which would have been provided to them, if the Executive's employment had not been terminated, in accordance with the applicable Benefit Plans in effect on the Measurement Date, until such dispute is resolved either by mutual written agreement of the parties or by an arbitrator's award pursuant to Section 6.1, but in no event more than 12 months after the date of such dispute. Following the resolution of such dispute, the sum of the payments made to the Executive under clause (a) of this Section 6.3 shall be deducted from any cash payment which the Executive is entitled to receive pursuant to Section 4; and if such sum exceeds the amount of the cash payment which the Executive is entitled to receive pursuant to Section 4, the excess of such sum over the amount of such payment shall be repaid (without interest) by the Executive to the Company within 60 days of the resolution of such dispute.

## 7. Successors.

7.1 Successor to Company. The Company shall require any Acquiring Corporation or any other successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to at least one-third or more of Company's gross assets to expressly assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a breach of this Agreement and shall constitute Good Reason if the Executive elects to terminate employment, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as defined above and any successor to its business or assets as aforesaid which assumes and agrees to perform this Agreement, by operation of law or otherwise.

7.2 Successor to Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any

amount would still be payable to the Executive or his or her family hereunder if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

8.Notice. All notices, instructions and other communications given hereunder or in connection herewith shall be in writing. Any such notice, instruction or communication shall be sent either (i) by registered or certified mail, return receipt requested, postage prepaid, or (ii) prepaid via a reputable nationwide overnight courier service, in each case addressed to the Company, at 320 Wakara Way, Salt Lake City, Utah 84108, Attn: General Counsel, and to the Executive at the address for notices indicated below (or to such other address as either the Company or the Executive may have furnished to the other in writing in accordance herewith). Any such notice, instruction or communication shall be deemed to have been delivered five business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one business day after it is sent via a reputable nationwide overnight courier service. Either party may give any notice, instruction or other communication hereunder using any other means, but no such notice, instruction or other communication shall be deemed to have been duly delivered unless and until it actually is received by the party for whom it is intended.

#### 9.Miscellaneous.

9.1Timing for Payment of Benefits. If at the time a payment is to be made under this Agreement, it is determined that the Executive is a "specified employee" of the Company (within the meaning of Section 409A of the Code, as amended, and any successor statute, regulation and guidance thereto), then limited only to the extent necessary to comply with the requirements of Section 409A of the Code, any payments to which the Executive may become entitled under this Agreement which are subject to Section 409A of the Code (and not otherwise exempt from its application) will be withheld until the first (1st) business day of the seventh (7th) month following the termination of employment at which time Executive shall be paid an aggregate amount equal to the accumulated, but unpaid, payments otherwise due to Executive under the terms of this Agreement.

9.2Construction. Section 409A and the rules and regulations promulgated thereunder, in general, provide for the taxation of certain payments made following the termination of employment of an employee. Section 409A and the rules and regulations promulgated thereunder provide that payments will not be subject to taxation under section 409A if certain conditions are met. It is the intent of the parties that any payments made to the Executive following a termination of employment are to not be subject to taxation under section 409A. Accordingly, this Agreement shall be construed, interpreted and applied so as to accomplish this intent, and also recognizing that there may be future guidance and interpretation of the application of section 409A and the rules and regulations promulgated thereunder by the Internal Revenue Service or the judicial courts.

9.3Employment by Subsidiary. For purposes of this Agreement, the Executive's employment with the Company shall not be deemed to have terminated solely as a result of the Executive continuing to be employed by a wholly-owned subsidiary of the Company.

9.4 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

9.5 Injunctive Relief. The Company and the Executive agree that any breach of this Agreement by the Company is likely to cause the Executive substantial and irrevocable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available, the Executive shall have the right to specific performance and injunctive relief.

9.6 Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the internal laws of the State of Utah, without regard to conflicts of law principles.

9.7 Waivers. No waiver by the Executive at any time of any breach of, or compliance with, any provision of this Agreement to be performed by the Company shall be deemed a waiver of that or any other provision at any subsequent time.

9.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but both of which together shall constitute one and the same instrument.

9.9 Tax Withholding. Any payments provided for hereunder shall be paid net of any applicable tax withholding required under federal, state or local law.

9.10 Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of the subject matter contained herein; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

9.11 Amendments. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Executive.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first set forth above.

MYRIAD GENETICS, INC.            EXECUTIVE

\_\_\_\_\_  
By: Mark C. Capone            Name:

Title: President and CEO

EXHIBIT A

GENERAL RELEASE

1. General Release. In consideration of the payments and benefits to be made under that certain Executive Retention Agreement, dated \_\_\_\_\_, (the "Agreement"), \_\_\_\_\_ (the "Executive"), with the intention of binding the Executive and the Executive's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge Myriad Genetics, Inc. (the "Company") and each of its subsidiaries and affiliates (the "Company Affiliated Group"), their present and former officers, directors, executives, agents, attorneys, employees and employee benefits plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, against any Company Released Party in any capacity, including, without limitation, any and all claims (i) arising out of or in any way connected with the Executive's service to any member of the Company Affiliated Group (or the predecessors thereof) in any capacity, or the termination of such service in any such capacity, (ii) for severance or vacation benefits, unpaid wages, salary or incentive payments, (iii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort and (iv) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices), any and all claims based on the Executive Retirement Income Security Act of 1974 ("ERISA"), any and all claims arising under the civil rights laws of any federal, state or local jurisdiction, including, without limitation, Title VII of the Civil Rights Act of 1964 ("Title VII"), the Americans with Disabilities Act ("ADA"), Sections 503 and 504 of the Rehabilitation Act, the Family and Medical Leave Act, and any and all claims under any whistleblower laws or whistleblower provisions of other laws, excepting only:

- (a) rights of the Executive under this General Release and the Agreement;
- (b) rights of the Executive relating to equity awards held by the Executive as of his or her Date of Termination (as defined in the Agreement);
- (c) the right of the Executive to receive COBRA continuation coverage in accordance with applicable law;
- (d) rights to indemnification the Executive may have (i) under applicable corporate law, (ii) under the by-laws or certificate of incorporation of any Company Released Party or (iii) as an insured under any director's and officer's liability insurance policy now or previously in force;
- (e) claims (i) for benefits under any health, disability, retirement, deferred compensation, life insurance or other, similar Executive benefit plan or arrangement of the Company Affiliated Group and (ii) for earned but unused vacation pay through the Date of Termination in accordance with applicable Company policy; and

(f) claims for the reimbursement of unreimbursed business expenses incurred prior to the Date of Termination pursuant to applicable Company policy.

2. No Admissions. The Executive acknowledges and agrees that this General Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. Application to all Forms of Relief. This General Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages for pain or suffering, costs and attorney's fees and expenses.

4. Specific Waiver. The Executive specifically acknowledges that his or her acceptance of the terms of this General Release is, among other things, a specific waiver of his or her rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. No Complaints or Other Claims. The Executive acknowledges and agrees that he or she has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

6. Conditions of General Release.

(a) Terms and Conditions. From and after the Date of Termination, the Executive shall abide by all the terms and conditions of this General Release and the terms and any conditions set forth in any employment or confidentiality agreements signed by the Executive, which is incorporated herein by reference.

(b) Confidentiality. The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or any legal process, or as is necessary in connection with any adversarial proceeding against any member of the Company Affiliated Group (in which case the Executive shall cooperate with the Company in obtaining a protective order at the Company's expense against disclosure by a court of competent jurisdiction), communicate, to anyone other than the Company and those designated by the Company or on behalf of the Company in the furtherance of its business, any trade secrets, confidential information, knowledge or data relating to any member of the Company Affiliated Group, obtained by the Executive during the Executive's employment by the Company that is not generally available public knowledge (other than by acts by the Executive in violation of this General Release).

(c) Return of Company Material. The Executive represents that he or she has returned to the Company all Company Material (as defined below). For purposes of this Section 6(c), "Company Material" means any documents, files and other property and information of any kind belonging or relating to (i) any member of the Company Affiliated Group, (ii) the current and former suppliers, creditors, directors, officers, employees, agents and customers of any of them or (iii) the businesses, products, services and operations (including without limitation, business,

financial and accounting practices) of any of them, in each case whether tangible or intangible (including, without limitation, credit cards, building and office access cards, keys, computer equipment, cellular telephones, pagers, electronic devices, hardware, manuals, files, documents, records, software, customer data, research, financial data and information, memoranda, surveys, correspondence, statistics and payroll and other employee data, and any copies, compilations, extracts, excerpts, summaries and other notes thereof or relating thereto), excluding only information (x) that is generally available public knowledge or (y) that relates to the Executive's compensation or Executive benefits.

(d) **Cooperation.** Following the Termination Date, the Executive shall reasonably cooperate with the Company upon reasonable request of the Board and be reasonably available to the Company with respect to matters arising out of the Executive's services to the Company Affiliated Group.

(e) **Nondisparagement.** The Executive agrees not to communicate negatively about or otherwise disparage any Company Released Party or the products or businesses of any of them in any way whatsoever.

(f) **Nonsolicitation.** The Executive agrees that for the period of time beginning on the date hereof and ending on the second anniversary of the Executive's Date of Termination, the Executive shall not, either directly or indirectly, solicit, entice, persuade, induce or otherwise attempt to influence any person who is employed by any member of the Company Affiliated Group to terminate such person's employment by such member of the Company Affiliated Group. The Executive also agrees that for the same period of time he or she shall not assist any person or entity in the recruitment of any person who is employed by any member of the Company Affiliated Group. The Executive's provision of a reference to or in respect of any individual shall not be a violation this Section 6(f).

(g) **No Representation.** The Executive acknowledges that, other than as set forth in this General Release and the Agreement, (i) no promises have been made to him or her and (ii) in signing this General Release the Executive is not relying upon any statement or representation made by or on behalf of any Company Released Party and each or any of them concerning the merits of any claims or the nature, amount, extent or duration of any damages relating to any claims or the amount of any money, benefits, or compensation due the Executive or claimed by the Executive, or concerning the General Release or concerning any other thing or matter.

(h) **Injunctive Relief.** In the event of a breach or threatened breach by the Executive of this Section 6, the Executive agrees that the Company shall be entitled to injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach, the Executive acknowledging that damages would be inadequate or insufficient.

**7. Voluntariness.** The Executive agrees that he or she is relying solely upon his or her own judgment; that the Executive is over eighteen years of age and is legally competent to sign this General Release; that the Executive is signing this General Release of his or her own free will; that the Executive has read and understood the General Release before signing it; and that the Executive is signing this General Release in exchange for consideration that he or she believes is satisfactory and adequate.

**8. Legal Counsel.** The Executive acknowledges that he or she has been informed of the right to consult with legal counsel and has been encouraged to do so.

9. Complete Agreement/Severability. This General Release constitutes the complete and final agreement between the parties and supersedes and replaces all prior or contemporaneous agreements, negotiations, or discussions relating to the subject matter of this General Release. All provisions and portions of this General Release are severable. If any provision or portion of this General Release or the application of any provision or portion of the General Release shall be determined to be invalid or unenforceable to any extent or for any reason, all other provisions and portions of this General Release shall remain in full force and shall continue to be enforceable to the fullest and greatest extent permitted by law.

10. Acceptance. The Executive acknowledges that he or she has been given a period of twenty-one (21) days within which to consider this General Release, unless applicable law requires a longer period, in which case the Executive shall be advised of such longer period and such longer period shall apply. The Executive may accept this General Release at any time within this period of time by signing the General Release and returning it to the Company.

11. Revocability. This General Release shall not become effective or enforceable until seven (7) calendar days after the Executive signs it. The Executive may revoke his or her acceptance of this General Release at any time within that seven (7) calendar day period by sending written notice to the Company. Such notice must be received by the Company within the seven (7) calendar day period in order to be effective and, if so received, would void this General Release for all purposes.

13. Governing Law. Except for issues or matters as to which federal law is applicable, this General Release shall be governed by and construed and enforced in accordance with the laws of the State of Utah without giving effect to the conflicts of law principles thereof.

IN WITNESS WHEREOF, the Executive has executed this General Release as of the date last set forth below.

EXECUTIVE

\_\_\_\_\_ Date: \_\_\_\_\_

Name:

**Attachment**

Each of the following executive officers of Myriad Genetics, Inc. entered into the Executive Retention Agreement in the above amended form of agreement. For each respective executive officer, the following sets forth the date of execution of the Executive Retention Agreement, as amended, in the form attached hereto.

Executive Officer	Execution Date
Mark C. Capone, President and Chief Executive Officer	September 29, 2015
Alexander Ford, President Myriad Women's Health, Inc.	September 29, 2015
Gary King, EVP International Operations	September 29, 2015
Jerry S. Lanchbury, Ph.D. Chief Scientific Officer	September 29, 2015
Richard M. Marsh, EVP, General Counsel and Secretary	September 29, 2015
Ralph L. McDade, Ph.D., President Myriad RBM, Inc.	September 29, 2015
R. Bryan Riggsbee, Chief Financial Officer and Treasurer	September 29, 2015
W. Lloyd Sanders, President Myriad Genetic Laboratories, Inc.	October 30, 2018
Bernard F. Tobin, President Crescendo Bioscience, Inc.	September 29, 2015
Mark Verratti, President Assurex Health, Inc.	September 29, 2015

## INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this “**Agreement**”) is made and entered into this \_\_\_ day of \_\_\_\_\_, by and between **MYRIAD GENETICS, INC.**, a Delaware corporation (the “**Corporation**”), and \_\_\_\_\_ (“**Agent**”).

### RECITALS

**WHEREAS**, Agent performs a valuable service to the Corporation in his capacity as [a director and/or an officer] of the Corporation;

**WHEREAS**, the Corporation has adopted provisions providing for indemnification of directors and officers in its Certificate of Incorporation (the “**Charter**”) and Bylaws (the “**Bylaws**”) that include provisions providing for the indemnification of the directors, officers, employees and other agents of the Corporation, including persons serving at the request of the Corporation in such capacities with other corporations or enterprises, as authorized by the Delaware General Corporation Law, as amended (the “**DGCL**”);

**WHEREAS**, the Charter, the Bylaws and the DGCL, by their non-exclusive nature, permit contracts between the Corporation and its directors, officers, employees and other agents with respect to indemnification of such persons;

**WHEREAS**, in recognition of Agent’s need for (a) substantial protection against personal liability based on Agent’s reliance on the Charter and the Bylaws, and (b) specific contractual assurance that the protection provided in the Charter and the Bylaws will be available to Agent (regardless of, among other things, any amendment to or revocation of the Charter and/or the Bylaws, any change in the composition of the Corporation’s board of directors or a change in control of the Corporation); and

**WHEREAS**, in order to induce Agent to [continue to] serve as [a director/an officer] of the Corporation, the Corporation has determined and agreed to enter into this Agreement with Agent.

**NOW, THEREFORE**, in consideration of Agent’s service as [a director and/or an officer] of the Corporation following the date hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and Agent hereby agree as follows:

**1. Services to the Corporation.** Agent will serve, at the will of the Corporation or under separate contract, if any such contract exists, as [a director/an officer] of the Corporation or as a director, officer or other fiduciary of an affiliate of the Corporation (including any employee benefit plan of the Corporation) faithfully and to the best of his ability so long as he [is duly elected and qualified in accordance with the provisions of the Bylaws or other applicable charter documents/is a duly appointed officer] of the Corporation or such affiliate; *provided, however*, that Agent may at any time and for any reason resign from such position (subject to any contractual obligation that Agent may have assumed apart from this Agreement) and that the Corporation or any affiliate shall have no obligation under this Agreement to continue Agent in any such position.

**2. Indemnity of Agent.** The Corporation agrees to hold harmless and indemnify Agent to the fullest extent authorized or permitted by the provisions of the Charter, the Bylaws and the DGCL, as the same may be amended from time to time (but, only to the extent that such amendment permits

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the Corporation to provide broader indemnification rights than the Charter, the Bylaws or the DGCL permitted prior to adoption of such amendment).

**3. Additional Indemnity.** In addition to and not in limitation of the indemnification otherwise provided for herein, and subject only to the exclusions set forth in Section 4 hereof, the Corporation further agrees to hold harmless and indemnify Agent:

(a) against any and all expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Agent becomes legally obligated to pay (including any federal, state or local taxes imposed on Agent as a result of receipt of reimbursements or advances of expenses under this Agreement) because of any claim or claims made against or by him in connection with any threatened, pending or completed action, suit or proceeding, including any appeal and the premium, security for, and other costs relating to any costs bond, supersedes bond, or other appeal bond or its equivalent, whether civil, criminal, arbitrational, administrative or investigative, whether formal or informal (including an action by or in the right of the Corporation), to which Agent is, was or at any time becomes a party or a witness, or is threatened to be made a party or a witness, by reason of the fact that Agent is, was or at any time becomes a director, officer, employee or other agent of the Corporation, or is or was serving or at any time serves at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; and

(b) otherwise to the fullest extent as may be provided to Agent by the Corporation under the non-exclusivity provisions of the DGCL, the Charter and the Bylaws.

**4. Limitations on Additional Indemnity.** No indemnity pursuant to Section 3 hereof shall be paid by the Corporation:

(a) on account of any claim or proceeding against Agent for an accounting of profits made from the purchase or sale by Agent of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as heretofore or hereafter amended (the "*Exchange Act*"), or similar provisions of any federal, state or local law, *provided, however,* if and when Agent ultimately establishes in any such proceeding that no recovery of profits from Agent is permitted under Section 16(b) of the Exchange Act or such similar provision of any similar federal, state or local law, then, notwithstanding anything to the contrary provided in this Section 4(a), indemnification pursuant to this Agreement shall then be permitted;

(b) on account of Agent's conduct that is established by a final judgment as knowingly fraudulent or deliberately dishonest or that constituted willful misconduct;

(c) on account of Agent's conduct that is established by a final judgment as constituting a breach of Agent's duty of loyalty to the Corporation or resulting in any personal profit or advantage to which Agent was not legally entitled;

(d) for which payment is actually made to Agent under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment under such insurance, clause, bylaw or agreement;

(e) if indemnification is not lawful (and, in this respect, both the Corporation and Agent have been advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore,

unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication); or

**(f)** in connection with any proceeding (or part thereof) initiated by Agent, or any proceeding by Agent against the Corporation or its directors, officers, employees or other agents, unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the board of directors of the Corporation, (iii) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the DGCL, or (iv) the proceeding is initiated pursuant to Section 11 hereof.

**5. Continuation of Indemnity.** All agreements and obligations of the Corporation contained herein shall continue during the period Agent is a director, officer, employee or other agent of the Corporation (or is or was serving at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Agent shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Agent was serving in the capacity referred to herein.

**6. Partial Indemnification.** Agent shall be entitled under this Agreement to indemnification by the Corporation for a portion of the expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement and any other amounts that Agent becomes legally obligated to pay in connection with any action, suit or proceeding referred to in Section 3 hereof even if not entitled hereunder to indemnification for the total amount thereof, and the Corporation shall indemnify Agent for the portion thereof to which Agent is entitled.

**7. Notification and Defense of Claim.** As soon as practicable, and in any event, not later than thirty (30) days after Agent becomes aware, by written or other overt communication, of any pending or threatened litigation, claim or assessment, Agent will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of such pending or threatened litigation, claim or assessment; but the omission so to notify the Corporation will not relieve it from any liability which it may have to Agent otherwise than under this Agreement. With respect to any such pending or threatened litigation, claim or assessment as to which Agent notifies the Corporation of the commencement thereof:

**(a)** the Corporation will be entitled to participate therein at its own expense;

**(b)** except as otherwise provided below, the Corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with counsel reasonably satisfactory to Agent. After notice from the Corporation to Agent of its election to assume the defense thereof, the Corporation will not be liable to Agent under this Agreement for any legal or other expenses subsequently incurred by Agent in connection with the defense thereof except for reasonable costs of investigation or otherwise as provided below. Agent shall have the right to employ separate counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Agent unless (i) the employment of counsel by Agent has been authorized by the Corporation, (ii) Agent shall have reasonably concluded, and so notified the Corporation, that there is an actual conflict of interest between the Corporation and Agent in the conduct of the defense of such action, or (iii) the Corporation shall not in fact have employed counsel to assume the defense of Agent in connection with such action, in any of such cases the fees

and expenses of Agent's separate counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Corporation or as to which Agent shall have made the conclusion provided for in clause (ii) above; and

(c) the Corporation shall not be liable to indemnify Agent under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent, which shall not be unreasonably withheld or delayed. The Corporation shall be permitted to settle any action or claim except that it shall not settle any action or claim in any manner which would impose any penalty or limitation on Agent without Agent's written consent, which may be given or withheld in Agent's sole discretion.

**8. Expenses.** The Corporation shall advance, prior to the final disposition of any proceeding, promptly following request therefor, all expenses incurred by Agent in connection with such proceeding upon the Corporation's receipt of an undertaking by or on behalf of Agent to repay said amounts if it shall be determined ultimately that Agent is not entitled to be indemnified under the provisions of this Agreement, the Charter, the Bylaws, the DGCL or otherwise. Such undertaking shall be accepted by the Corporation without regard to the financial ability of Agent to make such repayment. Without limiting the foregoing, if any action, suit or proceeding is disposed of on the merits or otherwise (including a disposition without prejudice), without (i) the final disposition being adverse to Agent, (ii) a final adjudication that Agent was liable to the Corporation, (iii) a plea of guilty (iv) a final adjudication that Agent did not act in good faith, and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or (v) with respect to any criminal proceeding, a final adjudication that Agent had reasonable cause to believe his conduct was unlawful, Agent shall be considered for the purposes hereof to have been wholly successful with respect thereto.

**9. Information Sharing.** To the extent that the Corporation receives a request or requests from a governmental third party or other licensing or regulating organization (the "**Requesting Agency**"), whether formal or informal, to produce documentation or other information concerning an investigation, whether formal or informal, being conducted by the Requesting Agency, and such investigation is reasonably likely to include review of any actions or failures to act by Agent, the Corporation shall promptly give notice to Agent of said request or requests and any subsequent request. In addition, the Corporation shall provide Agent with a copy of any and all information or documentation that the Corporation shall provide to the Requesting Agency.

**10. No Imputation.** The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Corporation or the Corporation itself shall not be imputed to Agent for purposes of determining any rights under this Agreement.

**11. Enforcement.** Any right to indemnification or advances granted by this Agreement to Agent shall be enforceable by or on behalf of Agent in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. Agent, in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. It shall be a defense to any action for which a claim for indemnification is made under Section 3 hereof (other than an action brought to enforce a claim for advance or reimbursement of expenses under this Agreement, *provided* that the required undertaking has been tendered to the Corporation) that Agent is not entitled to indemnification because of the limitations set forth in Section 4 hereof. Neither the failure of the Corporation (including its board of directors or its stockholders) to have

made a determination prior to the commencement of such enforcement action that indemnification of Agent is proper in the circumstances, nor an actual determination by the Corporation (including its board of directors or its stockholders) that such indemnification is improper shall be a defense to the action or create a presumption that Agent is not entitled to indemnification under this Agreement or otherwise.

**12. Subrogation.** In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Agent, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Corporation effectively to bring suit to enforce such rights.

**13. Non-Exclusivity of Rights.** The rights conferred on Agent by this Agreement shall not be exclusive of any other right which Agent may have or hereafter acquire under any statute, provision of the Charter or Bylaws, agreement, vote of stockholders or directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding office.

**14. Survival of Rights.**

**(a)** The rights conferred on Agent by this Agreement shall continue after Agent has ceased to be a director, officer, employee or other agent of the Corporation or to serve at the request of the Corporation as a director, officer, employee or other agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and shall inure to the benefit of Agent's heirs, executors and administrators.

**(b)** The Corporation shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporation, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

**15. Separability.** Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof. Furthermore, if this Agreement shall be invalidated in its entirety on any ground, then the Corporation shall nevertheless indemnify Agent to the fullest extent provided by the Charter, the Bylaws, the DGCL or any other applicable law.

**16. Governing Law.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its principles of conflicts of laws. The Corporation and Agent hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement may be brought in the Delaware Court of Chancery, (ii) consent to submit to the jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

**17. Amendment and Termination.** No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

**18. Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together

shall constitute but one and the same Agreement. Only one such counterpart need be produced to evidence the existence of this Agreement.

**19. Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered by hand to the party to whom such communication was directed or (ii) upon the third business day after the date on which such communication was mailed if mailed by certified or registered mail with postage prepaid:

(a) If to Agent, at the address indicated on the signature page hereof.

(b) If to the Corporation, to:

Myriad Genetics, Inc.  
320 Wakara Way  
Salt Lake City, UT 84108  
Attention: Chief Executive Officer  
General Counsel

or to such other address as may have been furnished to Agent by the Corporation.

**20. Headings.** The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

**IN WITNESS WHEREOF**, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

**MYRIAD GENETICS, INC.**

By:  
Name:  
Title: President and CEO

**AGENT**

[Insert Name of Agent]

Address:

4531860v.1

**Attachment**

Each of the following directors and executive officers of Myriad Genetics, Inc. has entered into the Company's standard form Indemnification Agreement.

<b>Directors and Executive Officer</b>	<b>Execution Date</b>
John T. Henderson, M.D., Chairman of the Board	June 02, 2009
Walter Gilbert, Ph.D., Vice Chairman of the Board	June 02, 2009
Lawrence C. Best, Director	September 16, 2009
Heiner Dreismann, Ph.D., Director	September 16, 2010
Dennis H. Langer, M.D., J.D., Director	June 02, 2009
S. Louise Phanstiel, Director	September 16, 2009
Mark C. Capone, President and Chief Executive Officer	June 16, 2009
Alexander Ford, President, Myriad Women's Health, Inc.	July 01, 2015
Gary A. King, EVP International Operations	June 13, 2013
Jerry S. Lanchbury, Ph.D., Chief Scientific Officer	June 16, 2009
Richard M. Marsh, Esq., EVP, General Counsel and Secretary	June 16, 2009
Ralph L. McDade, President, Myriad RBM, Inc.	June 05, 2014
R. Bryan Riggsbee, Chief Financial Officer and Treasurer	February 23, 2015
W. Lloyd Sanders, President, Myriad Genetic Laboratories, Inc.	October 30, 2018
Bernard F. Tobin, President, Crescendo Biosciences, Inc.	February 23, 2015
Mark Verratti, President, Assurex Health, Inc.	September 19, 2017

## SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, Mark C. Capone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Myriad Genetics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2018

By: /s/ Mark C. Capone

Mark C. Capone

President and Chief Executive Officer

## SARBANES-OXLEY SECTION 302(a) CERTIFICATION

I, R. Bryan Riggsbee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Myriad Genetics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 6, 2018

By: /s/ R. Bryan Riggsbee  
R. Bryan Riggsbee  
Executive Vice President, Chief Financial Officer  
(Principal financial and chief accounting officer)

**Certification**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**  
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Myriad Genetics, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 6, 2018

By: /s/ Mark C. Capone

Mark C. Capone

President and Chief Executive Officer

Date: November 6, 2018

By: /s/ R. Bryan Riggsbee

R. Bryan Riggsbee

Executive Vice President, Chief Financial Officer