



NEWS RELEASE

Castle Biosciences Completes Acquisition of Cernostics

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TissueCypher® Barrett's Esophagus test adds approximately \$1 billion to Castle's estimated U.S. TAM and drives expansion into gastrointestinal market

FRIENDSWOOD, Texas--(BUSINESS WIRE)-- Castle Biosciences, Inc. (Nasdaq: CSTL), a company applying innovative diagnostics to transform disease management and improve patient outcomes, today announced it has completed its acquisition of Cernostics, Inc. (Cernostics). Cernostics specializes in spatial biology and artificial intelligence-driven image analysis of tissue biopsies. Its TissueCypher® Barrett's Esophagus Assay is the first precision medicine test designed to predict future development of high-grade dysplasia (HGD) and/or esophageal cancer in patients with Barrett's esophagus (BE).

"We are excited to continue the evolution of the Castle story with the closing of the Cernostics acquisition and our entry into the gastrointestinal space through the TissueCypher platform," said Derek Maetzold, president and chief executive officer of Castle Biosciences. "The TissueCypher Barrett's Esophagus Assay is designed to help predict the likelihood of BE's progression to the more serious HGD or highly aggressive esophageal adenocarcinoma (EAC). Annually, approximately 400,000 endoscopies are performed on BE patients who meet the validated intended use population. We believe we have a unique opportunity to help physicians and patients make more informed disease management decisions based on deep interrogation of the biology of an individual patient's esophageal biopsy."

Transaction Terms and Other Information

Under the terms of the definitive agreement, Cernostics has become a wholly owned subsidiary of Castle Biosciences. At closing, Castle paid approximately \$30 million in initial consideration to Cernostics security holders,

which consisted entirely of cash. Up to an additional \$50 million in cash and/or common stock, at Castle's sole discretion, is payable in connection with the achievement of certain milestones based on 2022 performance. The purchase price is subject to customary working capital and other adjustments.

TissueCypher® Platform and the TissueCypher® Barrett's Esophagus Assay

The TissueCypher® platform combines a unique approach designed to bring together the key elements of biologically aware artificial intelligence to deliver the spatialomics revolution to the clinician and enable individualized decision-making. This technology and platform are the core of the TissueCypher® Barrett's Esophagus Assay, the world's first precision medicine test designed to predict future development of HGD and/or esophageal cancer in patients with BE. The TissueCypher Barrett's Esophagus Assay is indicated for patients with endoscopic biopsy confirmed BE that is graded non-dysplastic, indefinite for dysplasia or low-grade dysplasia; it has been validated in multiple, independent studies of BE progressor patients. The TissueCypher Barrett's Esophagus Assay is a proprietary Laboratory Developed Test with its own unique CPT PLA code (0108U) and has been on the Medicare Clinical Laboratory Fee Schedule since January 2021.

About Castle Biosciences

Castle Biosciences (Nasdaq: CSTL) is a leading diagnostics company that provides personalized, clinically actionable information to clinicians and patients to inform treatment decisions and improve health outcomes. The Company is focused on transforming the disease management paradigm in skin cancer and other diseases with high clinical need by leveraging advanced technologies for its portfolio of innovative diagnostic tests.

Castle's current portfolio consists of tests for skin cancers, uveal melanoma and Barrett's esophagus. Additionally, the Company has active research and development programs for tests in other diseases with high clinical need, including its test in development to predict systemic therapy response in patients with moderate-to-severe psoriasis, atopic dermatitis and related conditions. To learn more, please visit www.CastleBiosciences.com and connect with us on **LinkedIn, Facebook, Twitter** and **Instagram**.

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Forward-Looking Statements

The information in this press release contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as

amended, which are subject to the “safe harbor” created by those sections. These forward-looking statements include, but are not limited to, statements concerning Castle’s estimated U.S. TAM and the anticipated benefits of Cernostics’ platform and technology, the ability of the TissueCypher Barrett’s Esophagus Assay to predict future development of HGD and/or esophageal cancer in patients with BE, objectively and accurately predict progression from BE to HGD or EAC, improve the prevention of esophageal cancer and help physicians and patients make more informed management decisions based on the unique biology of individual patients’ esophageal biopsies. The words “anticipates,” “believes,” “estimates,” “expects,” “intends,” “may,” “plans,” “projects,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the TissueCypher Barrett’s Esophagus Assay’s ability to provide the aforementioned benefits to patients, physicians and Castle, our ability to integrate Cernostics’ technology and assays into our commercial offerings, the effects of the COVID-19 pandemic on our business and our efforts to address its impact on our business and the risks set forth in our Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2021, and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements, except as may be required by law.

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