

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 30, 2024

Commission file number 001-39482



GeneDx Holdings Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

85-1966622

(I.R.S. Employer Identification No.)

333 Ludlow Street, North Tower; 6th Floor  
Stamford, Connecticut 06902

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (888) 729-1206

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	WGS	The Nasdaq Stock Market LLC
Warrants to purchase one share of Class A common stock, each at an exercise price of \$379.50 per share	WGSWW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

**Item 2.02 Results of Operations and Financial Condition.**

On July 30, 2024, GeneDx Holdings Corp. (the "Company") issued a press release (the "Press Release") and will hold a conference call announcing the Company's financial results for the quarter ended June 30, 2024. Copies of the Press Release and Earnings Presentation are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

The information furnished with this Item 2.02, including Exhibits 99.1 and 99.2 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

<b>Exhibit No</b>	<b>Description</b>
99.1	<a href="#">Press Release, dated July 30, 2024, regarding the registrant's results for the quarter ended June 30, 2024</a>
99.2	<a href="#">Earnings Presentation, dated July 30, 2024</a>

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**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 hereunto duly authorized.

**GENEDX HOLDINGS CORP.**

Date: July 30, 2024

By: /s/ Katherine Stueland  
Name: Katherine Stueland  
Title: Chief Executive Officer



## GeneDx Reports Second Quarter 2024 Financial Results and Business Highlights

Reported second quarter 2024 revenue from continuing operations<sup>1</sup> of \$68.9M with 77% year-over-year growth of exome and genome test revenue

Expanded second quarter 2024 adjusted gross margins<sup>2</sup> from continuing operations to 62%

Narrowed second quarter 2024 adjusted net loss<sup>2</sup> to \$2.7M

Raising guidance to deliver between \$255M and \$265M in FY 2024 revenue and reiterate path to profitability in 2025

GeneDx to host conference call today at 4:30 p.m. ET

STAMFORD, Conn., July 30, 2024 — GeneDx Holdings Corp. (Nasdaq: WGS), a leader in delivering improved health outcomes through genomic insights, today reported its financial results for the second quarter of 2024.

“Our continued organizational focus on execution fueled our strong second quarter results, giving us confidence to raise full year 2024 revenue guidance to between \$255-\$265 million and reiterate our expectation to reach profitability in the next several quarters,” said Katherine Stueland, President and Chief Executive Officer at GeneDx. “The strength in our performance across all measures of the business has enabled us to begin investments in future growth opportunities for our business with a focus on extending our leadership in whole exome sequencing to whole genome sequencing to ensure we continue to lead the charge in quickly providing the most accurate and actionable genetic information to diagnose disease for as many patients and families as possible.”

### Second Quarter 2024 Financial Results (Unaudited)<sup>1,2</sup>

#### Revenues

- Revenues from continuing operations grew to \$68.9 million, an increase of 52% year-over-year and 12% sequentially.
  - Total company revenues were \$70.5 million.
- Exome and genome test revenue grew to \$50.7 million, an increase of 77% year-over-year and 15% sequentially.

#### Exome and genome volume

- Exome and genome test results volume grew to 18,017, an increase of 52% year-over-year and 9% sequentially.
- Exome and genome represented 31% of all test results, up from 22% in the second quarter of 2023 and up from 30% in the first quarter of 2024.

#### Gross margin

- Adjusted gross margin from continuing operations expanded to 62%, up from 37% in the second quarter of 2023 and up from 61% in the first quarter of 2024.
  - Total company gross margin was 61%.

#### Operating expenses

- Adjusted total operating expenses reduced to \$45.0 million, a decrease of 24% year-over-year and 1% sequentially.
  - Total GAAP operating expenses were \$52.7 million.

#### Net loss

- Adjusted net loss narrowed to \$2.7 million, an improvement of 93% year-over-year and 68% sequentially.
  - GAAP net loss was \$29.2 million, inclusive of a one-time, net litigation charge of \$13 million.

### Cash burn and cash position

- Total net use of cash was \$6.1 million in the second quarter of 2024, an improvement of 89% year-over-year and 65% sequentially.
- Cash, cash equivalents, marketable securities and restricted cash was \$107.8 million as of June 30, 2024.

1 Revenue and gross margin results from continuing operations, which we believe are representative of our ongoing business strategy exclude any revenue and cost of goods sold of the exited Legacy Sema4 diagnostic testing business for the current and all comparative periods. Total company results include GeneDx's continuing operations and the financial impacts of exited Legacy Sema4 business activities for the current and all comparative periods.

2 Adjusted gross margin, adjusted total operating expenses and adjusted net loss are non-GAAP financial measures. See appendix for a reconciliation of GAAP to Non-GAAP figures presented.

### GeneDx Full Year 2024 Guidance

GeneDx has updated full year 2024 guidance. Management expects GeneDx to:

- Drive full year 2024 revenues<sup>1</sup> between \$255 and \$265 million (previous guidance was between \$235 and \$245 million);
- Expand full year 2024 adjusted gross margin profile to at least 60% (no change);
- Use between \$65 to \$70 million of net cash for full year 2024 (previous guidance was between \$70 to \$80 million);
- Turn to profitability in 2025 (no change).

1 Total company results include the combination of the GeneDx diagnostic business revenues and the data and information revenues from the Legacy Sema4 business.

### Second Quarter 2024 Business Highlights

*Driving sustainable growth, expanding access and improving the standard of care*

- Announced collaboration with Epic Aura<sup>1</sup> to expand access to rapid whole genome sequencing ("rWGS") services to inform diagnosis for affected pediatric and neonatal patients, enhancing GeneDx's commercial footprint within leading health systems.
- Launched first-of-its-kind Patient Access Program in collaboration with leading biopharma partners to expand access to exome testing for pediatric epilepsy patients.
- Grew biopharma partner programs to 32, predominantly with biotech companies who are relying on us to find patients with a specific variant for clinical trial purposes.
- North Carolina Medicaid has expanded its existing coverage of outpatient whole exome sequencing ("WES") to include the analysis of family comparator samples, which increases the rate of diagnosis of WES, effective June 1, 2024.
- State Medicaid programs continue to expand coverage of rapid genome sequencing in the neonatal intensive care unit ("NICU"), bringing total states covering rapid whole genome in the acute care setting to 14, including new coverage announced in:
  - North Carolina (June 2024)
  - Tennessee (July 2024)
  - Connecticut (July 2024)
- Announced reinvestment in rapid and standard whole genome sequencing products, enabling:
  - Faster turnaround time for rWGS with a written report in as fast as 5 days
  - Buccal samples (cheek swab) allowing for easier and more accessible non-invasive sample collection method for even the youngest patients
  - Expanding the number of repeat expansions covered by whole genome sequencing to increase diagnostic yield and improve the provider and patient experience by decreasing the need for follow-up testing

1 Epic and Aura are trademarks of Epic Systems Corporation.

#### **Webcast and Conference Call Details**

GeneDx will host a conference call today, July 30, 2024, at 4:30 p.m. Eastern Time. Investors interested in listening to the conference call are required to register online. A live and archived webcast of the event will be available on the “Events” section of the GeneDx investor relations website at <https://ir.genedx.com/>.

#### **Forward-Looking Statements**

This press release contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding our future performance and our market opportunity, including our expected full year 2024 reported revenue guidance, our expectations regarding our adjusted gross margin profile in 2024, our use of net cash in 2024 and our turning profitable in 2025. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) our ability to implement business plans, goals and forecasts, and identify and realize additional opportunities, (ii) the risk of downturns and a changing regulatory landscape in the highly competitive healthcare industry, (iii) the size and growth of the market in which we operate, (iv) our ability to pursue our new strategic direction, and (v) our ability to enhance our artificial intelligence tools that we use in our clinical interpretation platform. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the U.S. Securities and Exchange Commission (the “SEC”) on February 23, 2024 and other documents filed by us from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

#### **About GeneDx**

At GeneDx (Nasdaq: WGS), we believe that everyone deserves personalized, targeted medical care—and that it all begins with a genetic diagnosis. Fueled by one of the world’s largest rare disease data sets, our industry-leading exome and genome tests translate complex genomic data into clinical answers that unlock personalized health plans, accelerate drug discovery, and improve health system efficiencies. It all starts with a single test. For more information, please visit [genedx.com](https://genedx.com) and connect with us on LinkedIn, X, Facebook, and Instagram.

#### **Investor Relations Contact:**

[Investors@GeneDx.com](mailto:Investors@GeneDx.com)

#### **Media Contact:**

[Press@GeneDx.com](mailto:Press@GeneDx.com)

Volume and revenue in the table below include the combination of the Legacy GeneDx diagnostic business with the data and information business of Legacy Sema4.

**Volume & Revenue**

	2Q24	1Q24	4Q23	3Q23	2Q23
<b>Volumes</b>					
Whole exome, whole genome	18,017	16,592	15,663	13,216	11,855
Hereditary cancer	5,482	6,868	8,240	8,556	7,142
Other panels	34,204	31,763	33,692	35,861	35,931
<b>Total</b>	<b>57,703</b>	<b>55,223</b>	<b>57,595</b>	<b>57,633</b>	<b>54,928</b>

**Revenue (\$ millions)**

	2Q24	1Q24	4Q23	3Q23	2Q23
Whole exome, whole genome	\$ 50.7	\$ 44.0	\$ 39.2	\$ 34.0	\$ 28.7
Hereditary cancer	3.8	5.5	5.5	4.5	3.8
Other panels	13.3	10.7	11.2	10.6	10.6
Data information	1.1	1.3	2.2	1.3	2.1
<b>Total</b>	<b>\$ 68.9</b>	<b>\$ 61.5</b>	<b>\$ 58.1</b>	<b>\$ 50.4</b>	<b>\$ 45.2</b>

**Unaudited Select Financial Information (in thousands)**

	Three months ended June 30, 2024			Three months ended March 31, 2024		
	GeneDx	Legacy Sema4	Total	GeneDx	Legacy Sema4	Total
Revenue	\$68,924	\$1,590	\$70,514	\$61,461	\$961	\$62,422
Adjusted cost of services	26,523	145	26,668	24,099	—	24,099
Adjusted gross profit (loss)	\$42,401	\$1,445	\$43,846	\$37,362	\$961	\$38,323
Adjusted gross margin %	61.5%	90.9%	62.2%	60.8%	100.0%	61.4%

	Three months ended June 30, 2023		
	GeneDx	Legacy Sema4	Total
Revenue	\$45,226	\$3,480	\$48,706
Adjusted cost of services	28,452	—	28,452
Adjusted gross profit (loss)	\$16,774	\$3,480	\$20,254
Adjusted gross margin %	37.1%	100.0%	41.6%

Three months ended June 30, 2024

	Reported	Depreciation and amortization	Stock-based compensation expense	Restructuring costs	Change in FV of financial liabilities	Charges related to business exit	Other	Adjusted
Diagnostic test revenue	\$ 69,439	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 69,439
Other revenue	1,075	—	—	—	—	—	—	1,075
Total revenue	70,514	—	—	—	—	—	—	70,514
Cost of services	27,562	(808)	(86)	—	—	—	—	26,668
Gross profit (loss)	42,952	808	86	—	—	—	—	43,846
Gross margin	60.9 %							62.2 %
Research and development	10,902	(211)	(347)	(35)	—	—	—	10,309
Selling and marketing	16,585	(1,225)	(368)	(63)	—	—	—	14,929
General and administrative	25,170	(2,974)	(2,307)	(150)	—	—	—	19,739
Impairment loss	—	—	—	—	—	—	—	—
Other, net	874	—	—	—	—	—	—	874
Loss from operations	(10,579)	5,218	3,108	248	—	—	—	(2,005)
Interest income (expense), net	(894)	—	—	—	—	—	—	(894)
Other income (expense), net	(17,890)	—	—	—	4,409	—	13,450	(31)
Income tax benefit	190	—	—	—	—	—	—	190
Net loss	\$ (29,173)	\$ 5,218	\$ 3,108	\$ 248	\$ 4,409	\$ —	\$ 13,450	\$ (2,740)

Three months ended June 30, 2023

	Reported	Depreciation and amortization	Stock-based compensation expense	Restructuring costs	Change in FV of financial liabilities	Charges related to business exit	Other	Adjusted
Diagnostic test revenue	\$ 46,635	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 46,635
Other revenue	2,071	—	—	—	—	—	—	2,071
Total revenue	48,706	—	—	—	—	—	—	48,706
Cost of services	29,949	(1,233)	(251)	(13)	—	—	—	28,452
Gross profit (loss)	18,757	1,233	251	13	—	—	—	20,254
Gross margin	38.5 %							41.6 %
Research and development	17,138	(4,656)	675	(815)	—	—	—	12,342
Selling and marketing	15,182	(1,225)	143	(326)	—	—	—	13,774
General and administrative	37,341	(3,218)	(675)	(483)	—	—	—	32,965
Impairment loss	—	—	—	—	—	—	—	—
Other, net	718	—	—	—	—	334	3,238	4,290
Loss from operations	(51,622)	10,332	108	1,637	—	(334)	(3,238)	(43,117)
Interest income (expense), net	1,074	—	—	—	—	—	—	1,074
Other income (expense), net	3,633	—	—	—	(3,547)	—	(86)	—
Income tax benefit	196	—	—	—	—	—	—	196
Net loss	\$ (46,719)	\$ 10,332	\$ 108	\$ 1,637	\$ (3,547)	\$ (334)	\$ (3,324)	\$ (41,847)

Three months ended March 31, 2024

	Reported	Depreciation and amortization	Stock-based compensation expense	Restructuring costs	Change in FV of financial liabilities	Charges related to business exit	Other	Adjusted
Diagnostic test revenue	\$ 61,104	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 61,104
Other revenue	1,318	—	—	—	—	—	—	1,318
Total revenue	62,422	—	—	—	—	—	—	62,422
Cost of services	25,011	(816)	(48)	(48)	—	—	—	24,099
Gross profit (loss)	37,411	816	48	48	—	—	—	38,323
Gross margin	59.9 %							61.4 %
Research and development	11,567	(196)	187	(103)	—	—	—	11,455
Selling and marketing	16,085	(1,225)	20	(400)	—	—	—	14,480
General and administrative	22,445	(3,011)	292	(292)	—	—	—	19,434
Impairment loss	—	—	—	—	—	—	—	—
Other, net	974	—	—	—	—	—	—	974
Loss from operations	(13,660)	5,248	(451)	843	—	—	—	(8,020)
Interest income (expense), net	(597)	—	—	—	—	—	—	(597)
Other income (expense), net	(6,064)	—	—	—	6,101	—	—	37
Income tax benefit	82	—	—	—	—	—	—	82
Net loss	\$ (20,239)	\$ 5,248	\$ (451)	\$ 843	\$ 6,101	\$ —	\$ —	\$ (8,498)



**GeneDx Holdings Corp.**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	June 30, 2024 (Unaudited)	December 31, 2023
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 56,076	\$ 99,681
Marketable securities	50,784	30,467
Accounts receivable	25,500	32,371
Due from related parties	693	445
Inventory, net	10,322	8,777
Prepaid expenses and other current assets	18,792	10,598
<b>Total current assets</b>	<b>162,167</b>	<b>182,339</b>
Operating lease right-of-use assets	25,624	26,900
Property and equipment, net	31,339	32,479
Intangible assets, net	165,613	172,625
Other assets <sup>(1)</sup>	4,357	4,413
<b>Total assets</b>	<b>\$ 389,100</b>	<b>\$ 418,756</b>
<b>Liabilities and Stockholders' Equity:</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 51,959	\$ 37,456
Due to related parties	1,213	1,379
Short-term lease liabilities	4,001	3,647
Other current liabilities	11,097	16,336
<b>Total current liabilities</b>	<b>68,270</b>	<b>58,818</b>
Long-term debt, net of current portion	52,160	52,688
Long-term lease liabilities	60,800	62,938
Other liabilities	12,660	14,735
Deferred taxes	1,167	1,560
<b>Total liabilities</b>	<b>195,057</b>	<b>190,739</b>
<b>Stockholders' Equity:</b>		
Preferred stock	—	—
Class A common stock	2	2
Additional paid-in capital	1,543,182	1,527,778
Accumulated deficit	(1,349,600)	(1,300,188)
Accumulated other comprehensive income	459	425
<b>Total stockholders' equity</b>	<b>194,043</b>	<b>228,017</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 389,100</b>	<b>\$ 418,756</b>

(1) Other assets includes \$987 thousand of restricted cash as of both June 30, 2024 and December 31, 2023.

**GeneDx Holdings Corp.**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
(in thousands, except share and per share amounts)

	June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Diagnostic test revenue	\$ 69,439	\$ 46,635	\$ 130,543	\$ 88,485
Other revenue	1,075	2,071	2,393	3,360
Total revenue	70,514	48,706	132,936	91,845
<b>Cost of services</b>	27,562	29,949	52,573	57,852
Gross profit	42,952	18,757	80,363	33,993
Research and development	10,902	17,138	22,469	31,730
Selling and marketing	16,585	15,182	32,670	28,634
General and administrative	25,170	37,341	47,615	81,030
Impairment loss	—	—	—	2,120
Other operating expenses, net	874	718	1,848	2,465
Loss from operations	(10,579)	(51,622)	(24,239)	(111,986)
<b>Non-operating income (expenses), net</b>				
Change in fair value of warrants and earn-out contingent liabilities	(4,409)	3,547	(10,510)	94
Interest expense, net	(894)	1,074	(1,491)	1,039
Other expense, net	(13,481)	86	(13,444)	2,802
Total non-operating income, net	(18,784)	4,707	(25,445)	3,935
Loss before income taxes	(29,363)	(46,915)	(49,684)	(108,051)
Income tax benefit	190	196	272	343
<b>Net loss</b>	\$ (29,173)	\$ (46,719)	\$ (49,412)	\$ (107,708)
<b>Weighted average shares outstanding of Class A common stock</b>	26,617,955	25,418,358	26,340,063	22,754,948
Basic and diluted net loss per share, Class A common stock	\$ (1.10)	\$ (1.84)	\$ (1.88)	\$ (4.73)

**GeneDx Holdings Corp.**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
(in thousands)

	Six months ended June 30,	
	2024	2023
<b>Operating activities</b>		
Net loss	\$ (49,412)	\$ (107,708)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	10,466	18,968
Stock-based compensation expense	2,657	156
Change in fair value of warrants and contingent liabilities	10,510	(94)
Deferred tax benefit	(272)	(343)
Provision for excess and obsolete inventory	109	2,620
Legal reserves	13,450	—
Change in third party payor reserves	1,066	(4,308)
Gain on sale of assets	—	(2,954)
Gain on debt forgiveness	—	(2,750)
Impairment loss	—	2,120
Other	1,738	412
Change in operating assets and liabilities:		
Accounts receivable	6,871	10,174
Inventory	(1,654)	(486)
Accounts payable and accrued expenses	(10,359)	(25,399)
Other assets and liabilities	(6,088)	531
Net cash used in operating activities	(20,918)	(109,061)
<b>Investing activities</b>		
Consideration on escrow paid for GeneDx acquisition	—	(12,144)
Purchases of property and equipment	(1,795)	(2,762)
Proceeds from sales of assets	—	3,634
Purchases of marketable securities	(29,381)	—
Proceeds from sales of marketable securities	598	—
Proceeds from maturities of marketable securities	8,720	—
Development of internal-use software assets	—	(461)
Net cash used in investing activities	(21,858)	(11,733)
<b>Financing activities</b>		
Proceeds from offerings, net of issuance costs	—	143,002
Exercise of stock options	161	266
Long-term debt principal payments	—	(2,000)
Finance lease payoff and principal payments	(990)	(1,222)
Net cash (used in) provided by financing activities	(829)	140,046
Net (decrease) increase in cash, cash equivalents and restricted cash	(43,605)	19,252
Cash, cash equivalents and restricted cash, at beginning of period	100,668	138,303
Cash, cash equivalents and restricted cash, at end of period <sup>(1)</sup>	\$ 57,063	\$ 157,555
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	\$ 4,033	\$ 946
Cash paid for taxes	\$ 557	\$ 1,003
Stock consideration paid for purchase of business	\$ —	\$ 6,692
Stock consideration paid pursuant to exercise of Perceptive warrant	\$ 12,586	\$ —
Purchases of property and equipment in accounts payable and accrued expenses	\$ 501	\$ 109
Assets acquired under capital leases obligations	\$ 689	\$ —

(1) Cash, cash equivalents and restricted cash at June 30, 2024 excludes marketable securities of \$50.8 million.



# One test. Big picture. Brighter futures.

GeneDx (Nasdaq: WGS)  
2Q 2024 Earnings Presentation

July 30, 2024

GeneDx

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**Disclaimer**

This presentation contains forward-looking statements under the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue," "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements contained in this presentation may include, but are not limited to, statements about: our future performance and our market opportunity, our expectations regarding full year 2024 revenue, adjusted gross margin profile and cash burn in 2024 and our expectation of turning profitable in 2025. We cannot assure that the forward-looking statements in this presentation will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements.

The forward-looking statements and opinions contained in this presentation are based on our management's beliefs and assumptions and are based upon information currently available to our management as of the date of this presentation and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Many factors could cause actual future events to differ materially from the forward-looking statements in this presentation, including but not limited to: (i) the ability to implement business plans, goals and forecasts, and identify and realize additional opportunities, (ii) the risk of downturns and a changing regulatory landscape in the highly competitive healthcare industry, (iii) the size and growth of the market in which we operate, (iv) our ability to pursue our new strategic direction, and (v) our ability to enhance our artificial intelligence tools that we use in our clinical interpretation platform. The information, opinions and forward-looking statements contained in this announcement speak only as of its date and are subject to change without notice.

This presentation contains estimates, projections and other information concerning our industry, our business, and the markets for our products and services. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. While we believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

We discuss these and other risks and uncertainties in greater detail in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our periodic reports and other filings we make with the SEC from time to time. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations. We file reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information concerning us are available [www.sec.gov](http://www.sec.gov). Requests for copies of such documents should be directed to our Investor Relations department at GeneDx Holdings Corp. 333 Ludlow Street, North Tower 6th Floor, Stamford, Connecticut, 06902. Our telephone number is 888-729-1206.

## WGS Q2 2024 Results



Second quarter 2024 revenue from continuing operations<sup>1</sup> of \$68.9M with 77% year-over-year revenue growth for exome and genome test revenue

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Expanded second quarter 2024 adjusted gross margin from continuing operations<sup>1,2</sup> to 62%

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Second quarter 2024 total cash burn of \$6M; ending June 30, 2024 with cash, cash equivalents, marketable securities and restricted cash of \$108M

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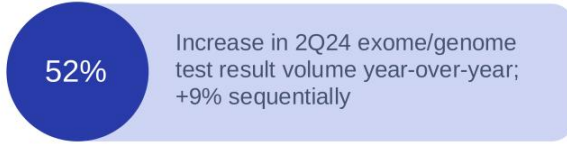


Raising guidance to deliver between \$255M and \$265M in FY 2024 revenue and reiterate path to profitability in 2025

- 3
1. Results from continuing operations, which represents our ongoing business strategy, exclude any revenue and cost of goods sold of the exited Legacy Sema4 diagnostic testing business for the current and all comparative periods. Total company results include GeneDx's continuing operations and the financial impacts of exited Legacy Sema4 business activities.
  2. Adjusted gross margin is a non-GAAP financial measure. For a reconciliation of GAAP and non-GAAP results, please refer to the reconciliation contained at the end of this earnings presentation.

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## Revenue – strong growth driven by high value whole exome and genome



Revenue <sup>1</sup>	Q2 2024
Revenue from continuing operations	\$68.9M
Growth year-over-year	52%
Growth sequentially	12%

Exome and genome test revenue	\$50.7M
Growth year-over-year	77%
Growth sequentially	15%

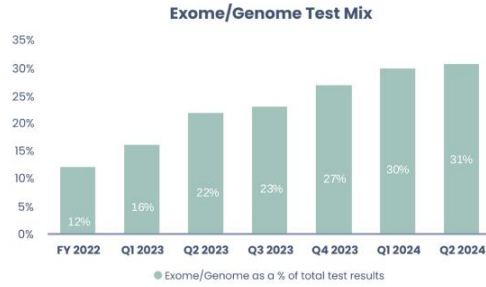
4 1. Total company revenues were \$70.5M for the second quarter 2024. Results from continuing operations exclude the results of the exited Legacy Sema4 diagnostic testing business. Total company results include GeneDx's continuing operations and the financial impacts of exited Legacy Sema4 business activities.

## Gross profit – expansion driven by mix shift, cost per test reductions and improved reimbursement

Exome/genome can be the best test for patients. They are also best for our business.

31% Exome/genome test result volume

62% Adjusted gross margins<sup>1</sup> from continuing operations in 2Q24, up from 37% in 2Q23 and 61% in 1Q24



Gross Profit <sup>1</sup>	2Q24	QoQ Sequential	YoY
Adj. Gross Profit <sup>2</sup>	\$42.4M	13%	153%
Adj. Gross Margin % <sup>2</sup>	62%	+73bps	+2,443bps

- 5
- Total company gross profit was \$42.9M for the second quarter of 2024, and total company gross margin was 61%. Adjusted gross profit from continuing operations and adjusted gross margin for continuing operations exclude the results of the exited Legacy Sema4 diagnostic testing business as well as depreciation, amortization and stock-based compensation. Total company gross profit and company gross margin include GeneDx's continuing operations and the financial impacts of exited Legacy Sema4 business activities.
  - Adjusted gross profit and adjusted gross margin are non-GAAP financial measures. For a reconciliation of GAAP and non-GAAP results, please refer to the reconciliation contained at the end of this earnings presentation.





## Cash – balance sheet bolstered to execute growth strategy

\$108M<sup>1</sup>

Cash, cash equivalents, marketable securities and restricted cash on hand at June 30, 2024

\$6M

Net use of cash for the total company in Q2

89%

Improvement in total company net cash burn rate year-over-year; improved 65% sequentially

9

Consecutive quarters of cash burn reduction since acquiring GeneDx

1. An additional \$25M in debt capacity is contingently available to use under the five-year senior secured credit facility with Perceptive Advisors entered into on October 27, 2023. The agreement provides access of up to \$75M, consisting of an initial tranche of \$50M, which has been drawn and is represented in the Company's quarter-end cash position, and a subsequent tranche of \$25M is available – at the Company's option, subject to certain timelines and other defined criteria.

## 2024 Guidance Update

- Drive full year 2024 revenues between \$255 to \$265 million  
(previous guidance was between \$235 to \$245 million)

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- Expand full year 2024 adjusted gross margin profile to at least 60%  
(no change)

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- Use between \$65 to \$70 million of net cash for full year 2024  
(previous guidance was between \$70 to \$80 million)

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- Turn profitable in 2025  
(no change)

# Appendix

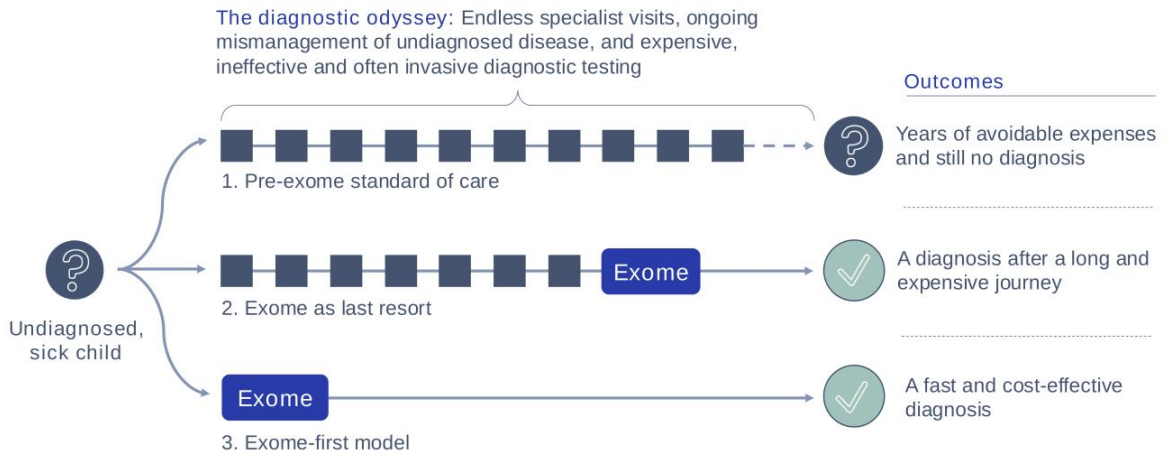
GeneDx is a leader in improving health outcomes through genomic insights.

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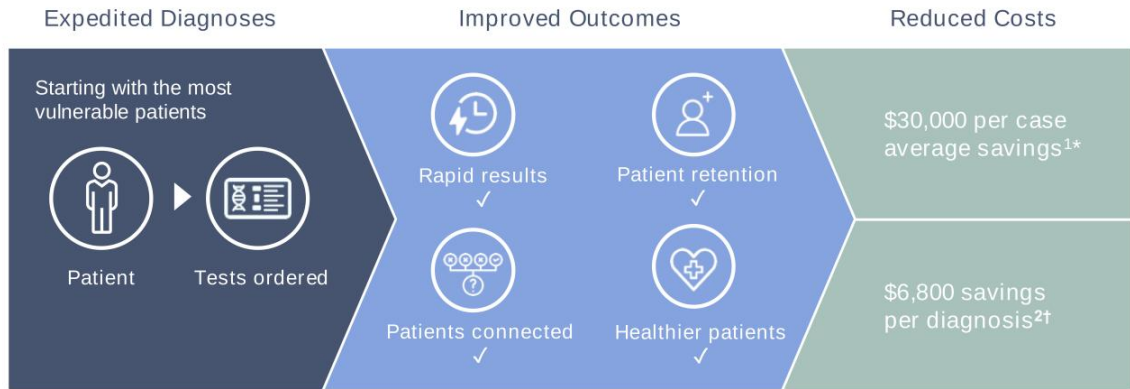
GeneDx

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## We address the costly and prolonged path to diagnosis



# Exome sequencing can break the cycle of misdiagnosis and uncertainty



\*In the NICU from reduced length of stay, unnecessary care (inpatient).  
†When tested at first tertiary presentation for Pediatric Delay Disorder (outpatient).

References: 1. ScienceDaily. (2017, October 19). Rapid whole-genome sequencing of neonatal ICU patients is useful and cost-effective. ScienceDaily. 2. Tan TY, Dillon OJ, Stark Z, et al. Diagnostic Impact and Cost-effectiveness of Whole-Exome Sequencing for Ambulant Children With Suspected Monogenic Conditions. JAMA Pediatrics. 2017;171(9):855. doi:10.1001/jamapediatrics.2017.1755

## Exome sequencing is a cost-effective solution to avoid the diagnostic odyssey

### A look at the average diagnostic odyssey

3 misdiagnoses<sup>1</sup>

5 uninformative tests<sup>3</sup>

6+ years to an accurate diagnosis<sup>2</sup>

>\$10k in additional healthcare costs<sup>3</sup>

>70% have a change in management with a genetic diagnosis<sup>4</sup>



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1. Genetic Alliance UK. The Rare Reality 2016. Retrieved from: <https://geneticalliance.org.uk/wp-content/uploads/2024/02/the-rare-reality-an-insight-into-the-patient-and-family-experience-of-rare-disease.pdf> on June 4, 2024.
2. Global Genes. RARE Disease Facts. Retrieved from: [www.globalgenes.org/rare-disease-facts/](http://www.globalgenes.org/rare-disease-facts/) on June 4, 2024.
3. Soden SE, Saunders C.J, et al. Effectiveness of exome and genome sequencing guided by acuity of illness for diagnosis of neurodevelopmental disorders. *Sci Transl Med.* 2014 Dec 3;6(265):265ra168. doi: 10.1126/scitranslmed.3010076.
4. Fung JLF, Yu MHG, et al. A three-year follow-up study evaluating clinical utility of exome sequencing and diagnostic potential of reanalysis. *NPJ Genom Med.* 2020 Sep 10;5(1):37. doi: 10.1038/s41525-020-00144-x. PMID: 32963807

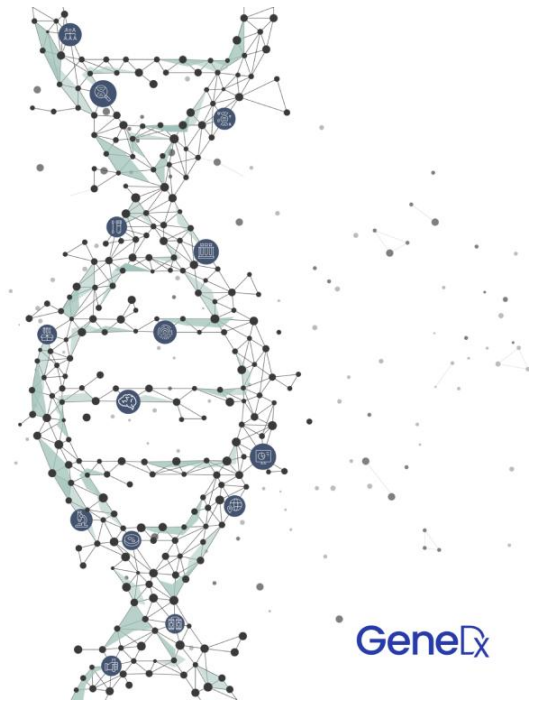
GeneDx

## GeneDx offers leading exome and genome products

Translating complex genomic data into definitive diagnoses for patients

- Genome sequencing – Analyzes the entirety of an individual's DNA, which is known as the genome. The genome includes ~20,000 genes.
- Exome sequencing – Analyzes the protein coding regions of the ~20,000 genes in an individual's genome, which is known as the exome. The exome is thought to contain a majority of disease-causing genetic variants.

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GeneDx



## Changing the perception of exome and genome sequencing

GeneDx has spent over a decade solving for limitations of the past and differentiating our products



## Patients we serve today are difficult to diagnose and have complex needs

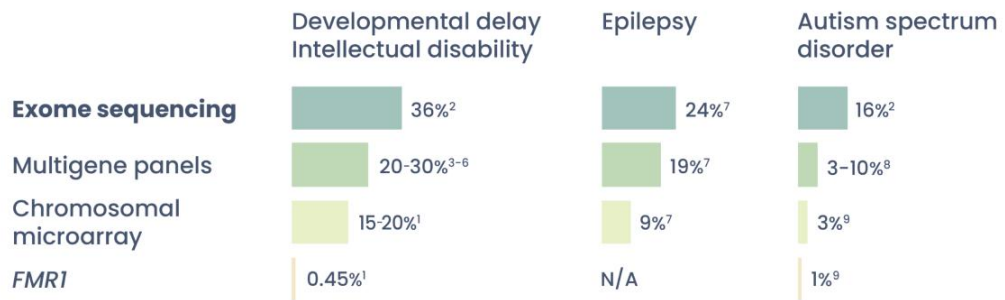
### Patients typically have 2+ of the indications below

- Congenital abnormalities (birth defects)
- Significant Intellectual disability
- Global developmental delay
- Seizures/epilepsy
- Failure to thrive or other growth concerns
- Autism spectrum disorder
- Complex neurodevelopmental disorder
- Severe neuropsychiatric condition
- Cerebral palsy
- Dysmorphic features
- Significant hearing or visual impairment
- Period of unexplained developmental regression
- Biochemical findings suggesting inborn error of metabolism
- Family history strongly suggestive of a genetic etiology

15



## Exome sequencing offers greater diagnostic yields vs. other technologies



1. Savatt JM et al. Front Pediatr. 2021;9:526779. 2. Srivastava S et al. Genet Med. 2019;21(11):2413-2421. 3. Pেকেles H et al. Pediatr Neurol. 2019;92:32-36. 4. Stefanski A et al. Epilepsia. 2021;62(1):143-151. 5. Mellone S et al. Front Genet. 2022;13:875182. 6. Spataro N et al. Genes (Basel). 2023;14(3):708. 7. Sheidley BR et al. Epilepsia. 2022;63(2):375-387. 8. Ni Ghraílaigh F et al. J Autism Dev Disord. 2023;53(1):484-488. 9. Artech-López A et al. Genes. 2021;12:560.

GeneDx is positioned to enable a data-informed future for healthcare.

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GeneDx

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## New market expansion enables us to serve more patients

GeneDx is starting with a focus on rare disease and pediatrics and then expanding into larger markets



Rare Disease  
& Pediatrics: \$3B

Rapidly growing patient  
opportunity and substantial  
cost savings via early screening



Newborn  
Screening: \$10B

Currently participating in  
studies to evaluate exome and  
genome sequencing at birth

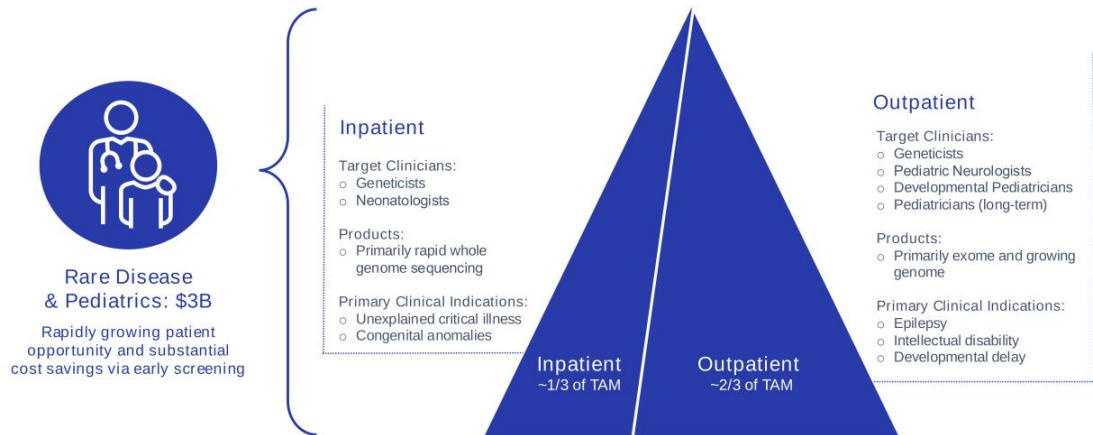


Adults: \$16B

Expanding into adult markets to  
replace multi-gene panel and  
individual gene tests

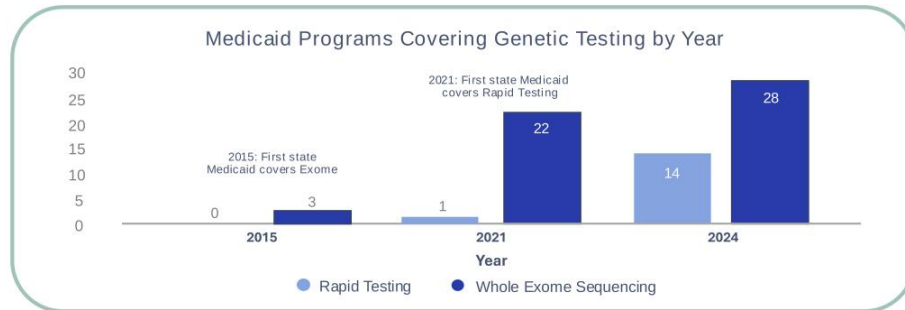
Conservatively, our total addressable market is ~\$30 billion.\*

## We're focused on the Rare Disease & Pediatrics market today

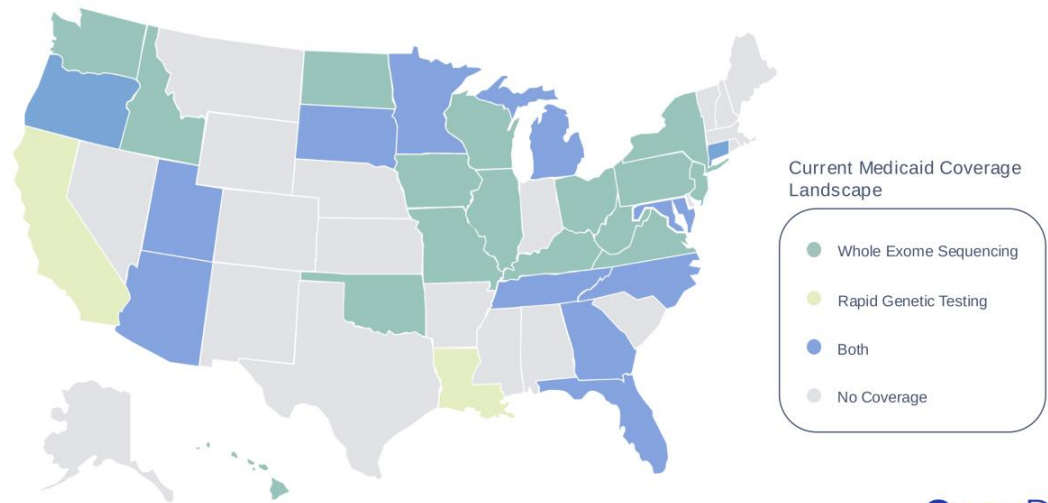


## Payor coverage for exome and genome sequencing is expanding

- ➔ GeneDx is contracted with over 80% of covered lives, including all large national commercial payers
- ➔ Medicaid and commercial insurance coverage continues to grow for exome and genome
  - 28 states cover exome sequencing
  - 14 states cover rapid genome sequencing
  - Biomarker bills are driving momentum in Medicaid coverage for exome and genome testing



## Medicaid programs across the country are expanding access





# Medical practice guidelines recommend exome and genome sequencing for patients



## ACMG Practice Guideline<sup>1</sup>:

*“Strong recommendation based on the available evidence to support the use of ES/GS as either a first- (or second-) line test in patients .... ES/ GS demonstrates clinical utility for the patients and their families with limited evidence for negative outcomes and the ever-increasing emerging evidence of therapeutic benefit.”*



## NSGC Guideline<sup>2</sup>:

*“Recommending Exome Sequencing as a First-Tier Genetic Test for Unexplained Epilepsies”*

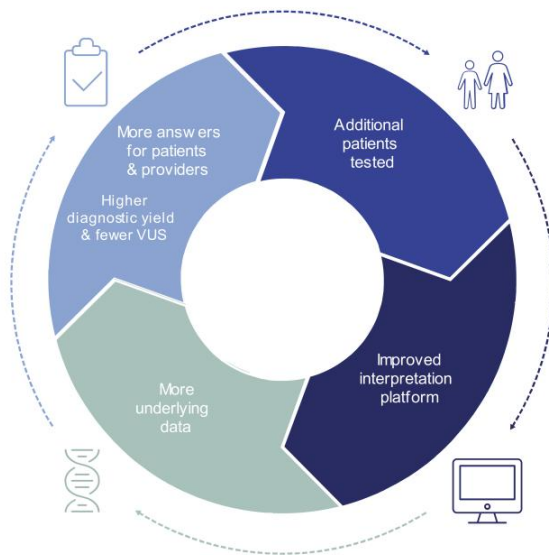


## American Epilepsy Society:

*“Exome or genome sequencing are favored for most scenarios, as they are more likely to provide a diagnosis.”*

1. Manickam K, McClain MR, Demmer LA, et al. Exome and genome sequencing for pediatric patients with congenital anomalies or intellectual disability: an evidence-based clinical guideline of the American College of Medical Genetics and Genomics (ACMG). *Genet Med*. 2021 Nov;23(11):2029-2037. doi: 10.1038/s41436-021-01242-6. Epub 2021 Jul 1.
2. Smith L, Malinowski J, Ceulemans S, et al. Genetic testing and counseling for the unexplained epilepsies: An evidence-based practice guideline of the National Society of Genetic Counselors. *J Genet Couns*. 2022 Oct 24. doi.org/10.1002/jgc4.1646





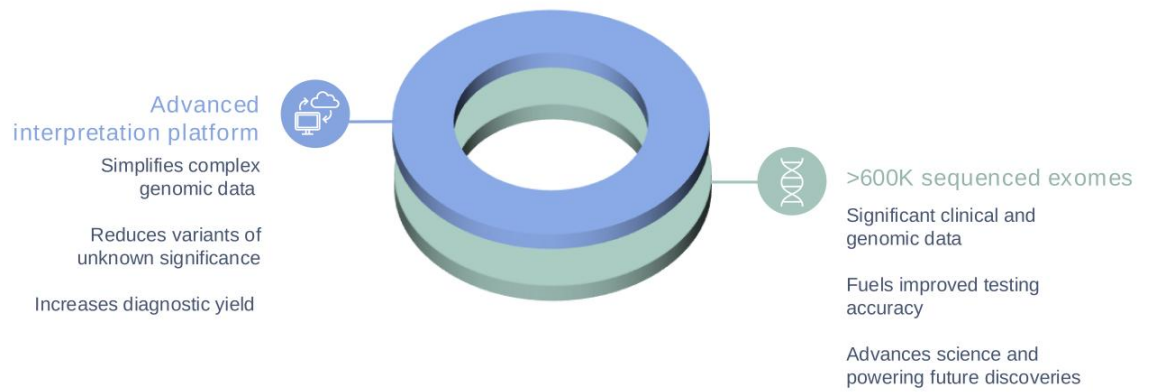
## Pay-it-forward data strategy

For every patient that we test, our underlying interpretation platform gets smarter, and we can offer more answers to more patients.

The impact scales as we capture more and more of the market.

## Data is at the center of our business

Our huge dataset and intelligent interpretation platform set us apart and fuel innovation

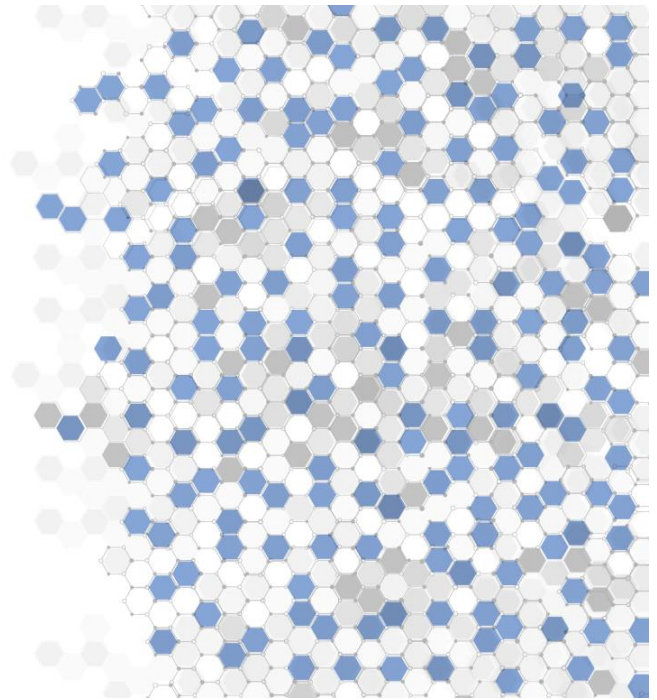


## Common diseases are in fact a constellation of genetic diagnoses

One example is epilepsy. At least 768 different genes are related to seizures.



Only 43% are tested on many commercial epilepsy panels



## Common diseases are in fact a constellation of genetic diagnoses

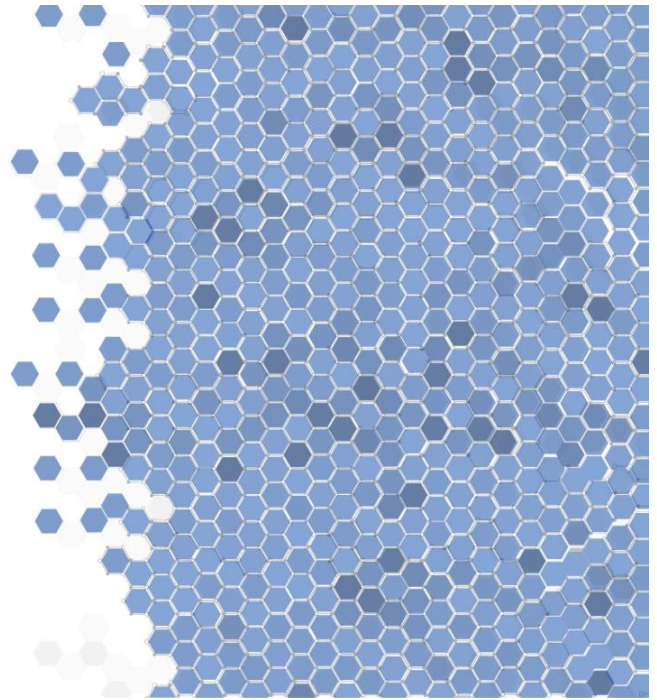
One example is epilepsy. At least 768 different genes are related to seizures.



Only 43% are tested on many commercial epilepsy panels



Exome sequencing checks all 768 genes



# We are translating our leadership in exome and investing in a genome future

It's the right time to lean in and improve solutions for our providers to deliver the best patient care

## Integrating with Epic Aura

Expanding access by integrating into existing health system and provider workflows



## Improving WGS products

Adding repeat expansions to increase diagnostic yield and decrease the need for follow-up testing



## Reducing rWGS turnaround time

Written results in as soon as 5 days



## Expanding sample collection options

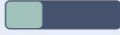
Improving WGS accessibility with cheek swabs



# 1 in 3 babies in the NICU is likely to have a genetic condition that could be diagnosed with rapid whole genome sequencing (rWGS)<sup>1</sup>



Cost associated with NICU/PICU care for suspected or confirmed genetic disease is ~ \$26B, or 50% of the US pediatric inpatient health spend<sup>2,3</sup>

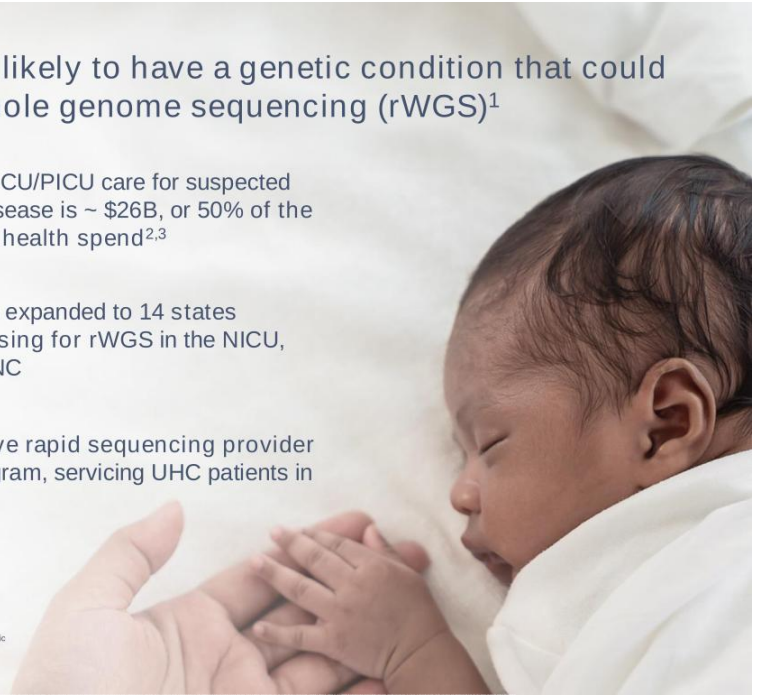


Medicaid coverage has expanded to 14 states covering and reimbursing for rWGS in the NICU, including CT, TN, and NC



GeneDx is the exclusive rapid sequencing provider for the UHC NICU Program, servicing UHC patients in NICUs nationwide

1. NICUSeq Study Group, Kozlitz ID, Madhe L, et al. Effect of whole-genome sequencing on the clinical management of acutely ill infants with suspected genetic disease: a randomized clinical trial. *JAMA Pediatr.* 2021 Dec 1;175(12):1218-1226. doi: 10.1001/jamapediatrics.2021.3496
2. Dukhovny D and Zupancic JAF. Economic Evaluation With Clinical Trials in Neonatology. *Neonetics* (2011) 12 (2), e69-e75. <https://doi.org/10.1557/neo.12-2.pdf>
3. Gonzaludo N, Belmont JW, Gairullin VG, et al. Estimating the burden and economic impact of pediatric genetic disease. *Genet Med.* 2019 Aug 21(8):1781-1789. doi: 10.1038/s41436-018-0398-5



Today, we shorten the diagnostic journey.  
Tomorrow, we hope to prevent it.

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GeneDx

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## Building the future: The SeqFirst Study

Shorter hospital stays. Less uncertainty. Better care.

In phase one of the SeqFirst study, 125 infants were offered rapid WGS:



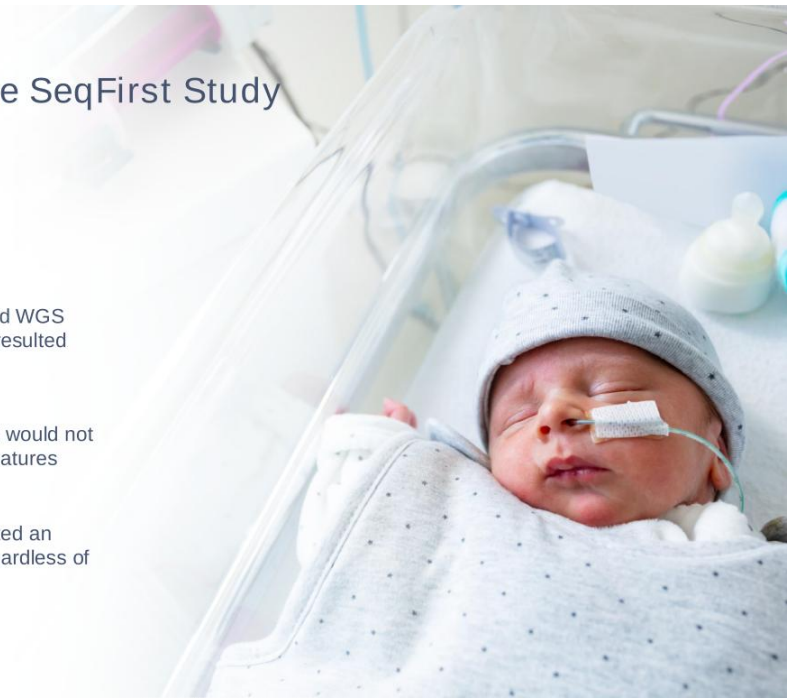
63% of infants had abnormal rapid WGS results, and 88% of these cases resulted in a change in management



90% of diagnoses made by WGS would not have been predicted by clinical features



Families of enrolled infants reported an overall positive experience, regardless of rapid WGS test outcome



## Building the future: Newborn screening

Fast diagnosis. Clear next steps.  
Reduced healthcare costs.



Screened 5,000 healthy infants, toward goal of >100,000



4.3% positive rate



Average age of diagnosis for these conditions is 7-11 years old

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## Building the future: Partnerships

Enriched data. Empowered  
drug discovery. Improved outcomes.

GeneDx offers solutions across the  
pharma drug development pipeline

Find

Connect

Understand



One test.  
Big picture.  
Brighter futures.



## Reconciliation of Non-GAAP Financial Measures

	Three months ended June 30,						Three months ended March 31,		
	2024			2023			2024		
	GeneDx	Legacy Sema4	Total	GeneDx	Legacy Sema4	Total	GeneDx	Legacy Sema4	Total
Revenue	\$ 68,924	\$ 1,590	\$ 70,514	\$ 45,226	\$ 3,480	\$ 48,706	\$ 61,461	\$ 961	\$ 62,422
Cost of services	27,417	145	27,562	29,949	–	29,949	25,011	–	25,011
Gross profit	\$ 41,507	\$ 1,445	\$ 42,952	\$ 15,277	\$ 3,480	\$ 18,757	\$ 36,450	\$ 961	\$ 37,411
Gross margin	60%	91%	61%	34%	100%	39%	59%	100%	60%
Reconciliations:									
Depreciation and amortization	808	–	808	1,233	–	1,233	816	–	816
Stock-based compensation	86	–	86	251	–	251	48	–	48
Restructuring charges	–	–	–	13	–	13	48	–	48
Adjusted gross profit	\$ 42,401	\$ 1,445	\$ 43,846	\$ 16,774	\$ 3,480	\$ 20,254	\$ 37,362	\$ 961	\$ 38,323
Adjusted gross margin	62%	91%	62%	37%	100%	42%	61%	100%	61%

