DermTech Adds Approximately 13 Million Covered Lives for the Foundational Assay of Its DermTech Melanoma Test (DMT)

January 5, 2023

LA JOLLA, Calif.--(BUSINESS WIRE)--Jan. 5, 2023-- DermTech, Inc. (NASDAQ: DMTK) ("DermTech" or the "Company"), a leader in precision dermatology enabled by a non-invasive skin genomics platform, today announced favorable coverage policies from four commercial payers including Blue Cross Blue Shield of North Carolina (BCBS NC), Blue Cross Blue Shield of South Carolina (BCBS SC), Blue Cross Blue Shield of Louisiana (BCBS LA) and Blue Cross Blue Shield of Kansas City (BCBS KC). These coverage policies were announced pursuant to an independent technology assessment by the second largest laboratory benefits manager in the U.S. and are similar to the policy issued by Medicare for coverage of the Company's foundational assay for the DermTech Melanoma Test (DMT). In addition, the Company recently entered into an agreement with a Blues plan in Michigan.

These policies make the foundational assay of the DermTech Melanoma Test (DMT) available to the 3.8 million members of BCBS NC, 1.7 million members of BCBS SC, 1.9 million members of BCBS LA and 1.0 million members of BCBS KC. The agreement with a Blues plan in Michigan makes the DMT available to its 4.5 million members. The DMT is the first non-invasive approach to enhance melanoma detection and has greater than 99 percent negative predictive value (NPV).

"We are thrilled to partner with these commercial payers to bring our test to leading healthcare networks around the U.S.," said Dan Visage, senior vice president of payor access, DermTech. "The DMT rules out melanoma non-invasively, improves patient care and reduces health care costs. The results of our test are clinically meaningful and actionable. After reviewing our clinical portfolio and health economic data, payers are recognizing the value of our test and resulting benefits to their membership, network providers and health plans."

DermTech's total covered lives in the U.S. are approximately 104 million, which includes 68 million for Medicare/Medicare Advantage and 36 million for commercial payers including many of the largest Blues plans in the U.S.

About The DermTech Melanoma Test

DermTech originally marketed its foundational assay under the name Pigmented Lesion Assay (PLA). The PLA assessed pigmented skin lesions, moles or dark skin spots for melanoma. In particular, the PLA detected expression of the LINC00518 ("LINC") and preferentially expressed antigen in melanoma ("PRAME") genes using an amplification process called reverse transcription-polymerase chain reaction ("RT-PCR"). The Company introduced its second-generation PLA test, PLA*plus* ™, in 2021, which could also identify the presence of TERT using a DNA sequencing technique and adding the TERT promoter mutation analyses to the PLA gene expression test. We have since rebranded our PLA and PLA*plus* tests as the DMT. The DMT tests for LINC and PRAME, and may be ordered with or without the add-on test for TERT. Positive results for LINC, PRAME, or TERT correlate with the presence of melanoma. If the biomarkers are not detected, this result indicates a greater than 99% probability that the mole being tested is not melanoma.

About DermTech

DermTech is a leading genomics company in dermatology and is creating a new category of medicine, precision dermatology, enabled by its non-invasive skin genomics platform. DermTech's mission is to improve the lives of millions by providing non-invasive precision dermatology solutions that enable individualized care. DermTech provides genomic analysis of skin samples collected non-invasively using our Smart Stickers™DermTech markets and develops products that facilitate the early detection of skin cancers and is developing products that assess inflammatory diseases and customize drug treatments. For additional information, please visit DermTech.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The expectations, estimates, and projections of DermTech may differ from its actual results and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "outlook," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, expectations and evaluations with respect to: the performance, patient benefits, cost- effectiveness, commercialization and adoption of DermTech's products and the market opportunity for these products, DermTech's positioning and potential revenue growth, financial outlook and future financial performance, ability to maintain or improve its operating efficiency and reduce operating expenses, implications and interpretations of any study results, expectations regarding agreements with or reimbursement or cash collection patterns from Medicare or commercial payers and related billing practices or number of covered lives, and DermTech's ability to expand its product offerings and develop pipeline products. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside of the control of DermTech and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the outcome of any legal proceedings that may be instituted against DermTech; (2) DermTech's ability to obtain additional funding to develop and market its products; (3) the existence of favorable or unfavorable clinical guidelines for DermTech's tests; (4) the reimbursement of DermTech's tests by Medicare and commercial payers; (5) the ability of patients or healthcare providers to obtain coverage of or sufficient reimbursement for DermTech's products; (6) DermTech's ability to grow, manage growth and retain its key employees and maintain or improve its operating efficiency and reduce operating expenses; (7) changes in applicable laws or regulations; (8) the market adoption and demand for DermTech's products and services together with the possibility that DermTech may be adversely affected by other economic, business, and/or competitive factors; and (9) other risks and uncertainties included in the "Risk Factors" section of the most recent Annual Report on Form 10-K filed by DermTech with the Securities and Exchange Commission (the "SEC"), and other documents filed or to be filed by DermTech with the SEC, including subsequently filed reports. DermTech cautions that the foregoing list of factors is not exclusive. You should not place undue reliance upon any forward- looking statements, which speak only as of the date made. DermTech does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change

in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

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