

EXACT
sciences

Applying Genomics To Eradicate Cancer™

Cancer: The Number Two Killer in the United States

"This year about 552,200 Americans are expected to die of cancer, more than 1,500 people a day...In 2000, about 1,220,100 new cancer cases are expected to be diagnosed."

AMERICAN
CANCER SOCIETY

Colorectal Cancer: Highly Prevalent Disease

"80 to 90 million Americans (approximately 25% of the US population) are considered at risk for [colorectal cancer] because of age or other factors."

AMERICAN DIGESTIVE
HEALTH FOUNDATION

Screening Saves Lives

"It is estimated that approximately 30,000 lives a year could be saved through widespread adoption of colorectal cancer screening in men and women."

CANCER RESEARCH
FOUNDATION OF
AMERICA

Colorectal Cancer Is Treatable if Caught Early

"When colorectal cancer is diagnosed at an early, localized stage, five-year survival is 90%, yet only 37% of incident cases are diagnosed while still localized."

NATIONAL
CANCER INSTITUTE

Poor Compliance with Screening Recommendations

"Although guidelines recommend annual fecal occult blood testing for all people aged 50 and over, only 9 percent of fee-for-service [Medicare] beneficiaries received that test each year. Use rates for flexible sigmoidoscopy are significantly lower and have also remained constant at about 2 percent of beneficiaries."

2000 GOVERNMENT
ACCOUNTING OFFICE
MEDICARE REPORT

LETTER TO SHAREHOLDERS

Dear Fellow Shareholders:

We are pleased and honored to bring you the inaugural annual report for EXACT Sciences Corporation. Since our founding in 1995, our mission has been to play a leading role in the eradication of common cancers by applying genomics to facilitate early detection of disease. We believe that our powerful and unique technologies will revolutionize the early detection of several common cancers, thereby saving lives and reducing healthcare costs.



We expect that tests based on our technologies will be available in the near future, address the needs of large and underserved markets, and, importantly, enable detection of actual disease, rather than merely predicting its likelihood. This distinguishes us from other genomics companies who focus either on drug development or genetic susceptibility tests.

We have selected colorectal cancer as the first application of our technology platform because:

- It is the most deadly cancer among non-smokers, and the second most deadly cancer overall.
- It is a large and underserved market.
- It is curable when detected early.

Our efforts are particularly timely, given recent and prominent colorectal cancer awareness initiatives and the groundswell of support for screening programs among government agencies, advocacy groups and managed care organizations. We are working with many of these groups to fully understand and maximize the opportunity for our technologies.

We believe that EXACT Sciences has the unique opportunity to build a highly successful business, and at the same time, make a tangible difference in the lives of thousands of people each year. Our company tagline, "Applying Genomics to Eradicate Cancer;" embodies our belief that early detection of disease through genomics can reduce the mortality associated with many common cancers, as the Pap smear has done for cervical cancer.

Our ability to achieve our mission depends as heavily on our people as it does on our science. We are privileged to have as part of our team world-renowned scientists and highly dedicated business professionals. We are pleased that you are joining the EXACT Sciences team in our quest, and look forward to updating you as we move toward commercialization.

Thank you.

A handwritten signature in black ink, appearing to read "Stanley N. Lapidus".

Stanley N. Lapidus
Chairman and Director

A handwritten signature in black ink, appearing to read "Don M. Hardison".

Don M. Hardison
President and Director

Early Detection Saves Lives

Many of the 520,000 lives lost each year to cancer could be saved through early diagnosis. Tragically, too few cancers are diagnosed in the early, more treatable stages, due to shortcomings of existing tests and low patient compliance.

Applying Genomics to Eradicate Cancer™

Because all cancers can be traced to genetic changes in cells, EXACT Sciences' genomics-based technologies may revolutionize the early detection of these changes, and help to eradicate several common cancers. Potential applications for EXACT Sciences' technologies include detection of colorectal, breast, prostate and lung cancer.

Our First Target—Colorectal Cancer (CRC)

Despite widespread availability of first-line CRC screening tests for over 20 years, deaths have not declined for this disease.

Over 57,000 people are expected to die from this disease in 2001, making it the most deadly cancer among non-smokers, and the second most deadly cancer overall.

Only a fraction of the 74 million Americans who, according to the American Cancer Society, should be screened annually, take part in regular screening programs.

Only one-third of diagnoses are made in the early, more treatable stages, where five-year survival rates are as high as 95%.

The EXACT Sciences Difference

EXACT Sciences has developed proprietary and user-friendly technologies for specimen collection and preparation, and for cancer detection. EXACT Sciences' proprietary technologies find the "needle in the haystack," which it believes will enable earlier and more effective therapeutic intervention.

Only a minute amount of the DNA shed in stool is

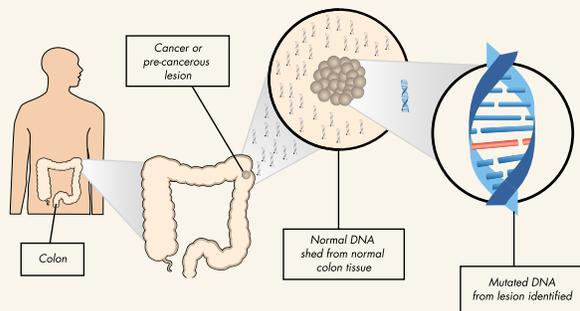
human (the remainder is bacterial). Moreover, mutated human DNA—that which may be associated with cancer—is present in an even smaller amount.

EXACT Sciences is unique in its ability to isolate human DNA from the sea of bacterial DNA in stool over 99% of the time *and* detect mutated human DNA; its technologies are protected by 11 US patents issued and 25 patents pending.

The ultimate clinical utility of any test is a function of accuracy and compliance. Early studies with EXACT Sciences' technologies demonstrated high sensitivity and specificity for CRC and employed patient-friendly (i.e., non-invasive) sample collection methods.

Creating Real Value Now

EXACT Sciences expects that tests based on its technologies will be available soon, address large markets and detect actual disease. Other genomics companies are focusing on either drug development—which involves huge investments toward uncertain and distant payoffs—or genetic susceptibility tests—which typically address very small markets and only identify predisposition to disease.



EXACT Sciences' first application: early detection of colorectal cancer.

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Boston, Massachusetts

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Stockholder Inquiries

Inquiries related to stock transfers or lost certificates should be directed to American Stock Transfer & Trust Company (see above). General information regarding the Company can be obtained by contacting EXACT Sciences' Investor Relations Department at 978.897.2800, ext. 252. Recent news releases and other information can also be obtained by contacting EXACT Sciences' automated stockholder information line at 866.IR4.EXAS or by accessing the Company's web site at www.exactsciences.com.

Annual Report on Form 10-K

A copy of the EXACT Sciences Annual Report on Form 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission, is available without charge on request to:

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Web site www.exactsciences.com

Stock Information

The Company's common stock trades on the NASDAQ National Market under the symbol EXAS. As of March 29, 2001, there were 173 holders of record of the Company's common stock. No cash dividends have been paid on the common stock to date, and the Company does not anticipate paying any cash dividends in the foreseeable future.

Annual Meeting

The Annual Meeting will be held on Wednesday, May 16, 2001, at 10:00 AM, at the offices of Testa, Hurwitz & Thibeault, LLP, 125 High Street Tower, 20th Floor, Boston, Massachusetts 02110.