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, 2021

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: 000-24249

Interpace Biosciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**22-2919486**
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

Morris Corporate Center 1, Building C
300 Interpace Parkway, Parsippany, NJ 07054

(Address of principal executive offices and zip code)

(855) 776-6419

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N//A	N/A

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 submitted electronically 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 "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	**Shares Outstanding November 5, 2021**
Common Stock, par value $0.01 per share	4,174,447

INTERPACE BIOSICENCES, INC.
FORM 10-Q FOR PERIOD ENDED SEPTEMBER 30, 2021
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

INTERPACE BIOSCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	September 30, 2021 (unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,180	$ 2,772
Restricted cash	250	600
Accounts receivable, net of allowance for doubtful accounts of $72 and $275, respectively	6,518	8,028
Other current assets	3,135	2,722
Total current assets	13,083	14,122
Property and equipment, net	6,484	7,349
Other intangible assets, net	8,014	11,351
Goodwill	8,433	8,433
Operating lease right of use assets, net	3,989	4,384
Other long-term assets	304	42
Total assets	$ 40,307	$ 45,681
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,427	$ 4,511
Accrued salary and bonus	2,728	3,161
Notes payable - related parties	7,872	-
Other accrued expenses	9,043	9,795
Current liabilities from discontinued operations	766	766
Total current liabilities	22,836	18,233
Contingent consideration, net of current portion	1,663	1,818
Operating lease liabilities, net of current portion	3,152	3,540
Other long-term liabilities	4,768	4,637
Total liabilities	32,419	28,228
Commitments and contingencies (Note 8)		
Preferred stock, $.01 par value; 5,000,000 shares authorized, 47,000 Series B issued and outstanding	46,536	46,536
Stockholders' deficit:		

Common stock, $.01 par value; 100,000,000 shares authorized; 4,194,111 and 4,075,257 shares issued, respectively; 4,174,447 and 4,055,593 shares outstanding, respectively	403	402
Additional paid-in capital	186,052	184,404
Accumulated deficit	(223,330)	(212,116)
Treasury stock, at cost (19,664 and 19,664 shares, respectively)	(1,773)	(1,773)
Total stockholders' deficit	(38,648)	(29,083)
Total liabilities, preferred stock and stockholders' deficit	$ 40,307	$ 45,681

The accompanying notes are an integral part of these condensed consolidated financial statements

INTERPACE BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except for per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue, net	$ 9,472	$ 8,248	$ 30,461	$ 22,752
Cost of revenue (excluding amortization of $1,112 and $1,115 for the three months and $3,336 and $3,346 for the nine months, respectively)	5,848	5,194	16,965	15,156
Gross profit	3,624	3,054	13,496	7,596
Operating expenses:				
Sales and marketing	2,456	2,699	7,585	6,776
Research and development	416	763	1,475	2,123
General and administrative	3,278	3,795	9,582	12,683
Transition expenses	363	687	2,474	798
Gain on DiamiR transaction	-	-	(235)	-
Acquisition related amortization expense	1,112	1,115	3,336	3,346
Total operating expenses	7,625	9,059	24,217	25,726
Operating loss	(4,001)	(6,005)	(10,721)	(18,130)
Interest accretion expense	(106)	(138)	(375)	(414)
Related party interest	(151)	-	(372)	-
Other income (expense), net	45	(12)	(255)	473
Loss from continuing operations before tax	(4,213)	(6,155)	(11,723)	(18,071)
(Benefit) provision for income taxes	(714)	14	(684)	43
Loss from continuing operations	(3,499)	(6,169)	(11,039)	(18,114)
Loss from discontinued operations, net of tax	(62)	(65)	(175)	(194)
Net loss	(3,561)	(6,234)	(11,214)	(18,308)
Less adjustment for preferred stock deemed dividend	-	-	-	(3,033)
Net loss attributable to common stockholders	$ (3,561)	$ (6,234)	$ (11,214)	$ (21,341)
Basic and diluted loss per share of common stock:				
From continuing operations	$ (0.84)	$ (1.53)	$ (2.68)	$ (5.25)
From discontinued operations	(0.01)	(0.01)	(0.04)	(0.05)
Net loss per basic and diluted share of common stock	$ (0.85)	$ (1.54)	$ (2.72)	$ (5.30)
Weighted average number of common shares and common share equivalents outstanding:				
Basic	4,165	4,038	4,119	4,025
Diluted	4,165	4,038	4,119	4,025

The accompanying notes are an integral part of these condensed consolidated financial statements.

INTERPACE BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(unaudited, in thousands)

	For The Three and Nine Months Ended September 30, 2021		For The Three and Nine Months Ended September 30, 2020	
	Shares	Amount	Shares	Amount
Common stock:				
Balance at January 1	4,075	$ 402	3,932	$ 393
Common stock issued	9	-	37	1
Restricted stock issued	12	-	6	-
Common stock issued through market sales	-	-	80	8
Common stock issued through ESPP	36	-	-	-
Balance at March 31	4,132	402	4,055	402
Common stock issued	10	-	-	-

Balance at June 30	4,142	402	4,055	402
Common stock issued	13	-	5	-
Common stock issued through ESPP	39	1	-	-
Balance at September 30	4,194	403	4,060	402
Treasury stock:				
Balance at January 1	20	(1,773)	12	(1,721)
Treasury stock purchased	-	-	-	-
Balance at March 31	20	(1,773)	12	(1,721)
Treasury stock purchased	-	-	7	(49)
Balance at June 30	20	(1,773)	19	(1,770)
Treasury stock purchased	-	-	-	-
Balance at September 30	20	(1,773)	19	(1,770)
Additional paid-in capital:				
Balance at January 1		184,404		182,514
Extinguishment of Series A Shares		-		(828)
Beneficial Conversion Feature in connection with Series B Issuance		-		2,205
Amortization of Beneficial Conversion Feature		-		(2,205)
Common stock issued		108		-
Common stock issued through market sales		-		476
Stock-based compensation expense		286		418
Balance at March 31		184,798		182,580
Stock-based compensation expense		551		400
Balance at June 30		185,349		182,980
Common stock issued		226		-
Stock-based compensation expense		477		563
Balance at September 30		186,052		183,543
Accumulated deficit:				
Balance at January 1		(212,116)		(185,665)
Net loss		(4,207)		(6,494)
Balance at March 31		(216,323)		(192,159)
Net loss		(3,446)		(5,580)
Balance at June 30		(219,769)		(197,739)
Net loss		(3,561)		(6,234)
Balance at September 30		(223,330)		(203,973)
Total stockholders' deficit		$ (38,648)		$ (21,798)

The accompanying notes are an integral part of these condensed consolidated financial statements.

INTERPACE BIOSCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

`

	For The Nine Months Ended September 30, 2021	2020
Cash Flows From Operating Activities		
Net loss	$ (11,214)	$ (18,308)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,350	4,102
Interest accretion expense	375	414
Reversal of 2019 bonus accrual	-	(1,156)
Bad debt (recovery) expense	(140)	250
Mark to market on warrants	137	(62)
Stock-based compensation	1,228	1,354
Amortization of deferred financing fees	110	-
Accrued interest - Related Parties	372	-
ESPP expense	86	27
Change in fair value of contingent consideration	(57)	-
Gain on DiamiR transaction	(235)	-
Other gains and expenses, net	(2)	-
Other changes in operating assets and liabilities:		
Decrease in accounts receivable	1,788	1,625
Increase in other current assets	(413)	(898)
Increase in other long-term assets	(14)	-
Decrease in accounts payable	(2,084)	(1,319)
(Decrease) increase in accrued salaries and bonus	(433)	129
(Decrease) increase in accrued liabilities	(1,349)	1,472
Decrease in long-term liabilities	(6)	(25)
Net cash used in operating activities	(7,501)	(12,395)
Cash Flows From Investing Activities		
Purchase of property and equipment	(192)	(1,275)
Sale of property and equipment	39	-
Net cash used in investing activities	(153)	(1,275)
Cash Flows From Financing Activities		
Issuance of common stock, net of expenses	335	434

Issuance of Series B preferred stock, net of expenses	-	19,223
Loan proceeds - related parties	7,500	-
Deferred financing fees	(123)	-
Payments on line of credit	-	(3,000)
Net cash provided by financing activities	7,712	16,657
Net increase in cash, cash equivalents and restricted cash	58	2,987
Cash, cash equivalents and restricted cash – beginning	3,372	2,321
Cash, cash equivalents and restricted cash – ending	$ 3,430	$ 5,308

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. OVERVIEW

Nature of Business

Interpace Biosciences, Inc. ("Interpace" or the "Company") enables personalized medicine, offering specialized services along the therapeutic value chain from early diagnosis and prognostic planning to targeted therapeutic applications and pharma services. The Company provides molecular diagnostics, bioinformatics and pathology services for evaluation of risk of cancer by leveraging the latest technology in personalized medicine for improved patient diagnosis and management. The Company also provides pharmacogenomics testing, genotyping, biorepository and other specialized services to the pharmaceutical and biotech industries. The Company advances personalized medicine by partnering with pharmaceutical, academic, and technology leaders to effectively integrate pharmacogenomics into their drug development and clinical trial programs.

COVID-19 pandemic

The outbreak of the COVID-19 pandemic continues to impact a significant portion of the regions in which we operate. The continuing impact that the COVID-19 pandemic will have on our operations, including duration, severity and scope, remains highly uncertain and cannot be fully predicted at this time. While we believe we have generally recovered from the adverse impact that the COVID-19 pandemic had on our business during 2020, we believe that the COVID-19 pandemic could continue to adversely impact our results of operations, cash flows and financial condition in the future.

As our business operations continue to be impacted by the pandemic, we continue to monitor the situation and the guidance that is being provided by relevant federal, state and local public health authorities. We may take additional actions based upon their recommendations. However, it is possible that we may have to make further adjustments to our operating plans in reaction to developments that are beyond our control.

While we do not anticipate any lab closures at this time beyond periodic, temporary work stoppages to clean and disinfect the labs, this could change in the future based upon conditions caused by the pandemic. It is also possible that we could experience supply chain shortages if the pandemic worsens and if one or more suppliers is unable to continue to provide us with supplies. For the foreseeable future, however, we do not anticipate supply chain shortages of critical supplies.

We have developed and will continue to update our contingency plans in order to mitigate pandemic-related, adverse financial impacts upon our business.

Transition costs

To optimize the operations of laboratory operations within our pharma services, we transitioned activities from the Rutherford, NJ facility to our Morrisville, NC facility. We invested several million dollars to facilitate this relocation, including but not limited to the transfer of personnel, expansion of the Morrisville facility and validation of transferred processes. We believe that this investment will result in a reduction in future operating costs; however, it is not certain whether we will fully realize the anticipated savings. We have also undergone several other cost-cutting initiatives and those costs are categorized as transition expenses as well.

2. BASIS OF PRESENTATION

The accompanying unaudited interim condensed consolidated financial statements and related notes (the "Interim Financial Statements") should be read in conjunction with the consolidated financial statements of the Company and its wholly-owned subsidiaries (Interpace Diagnostics Lab Inc., Interpace Diagnostics Corporation, Interpace Pharma Solutions, Inc. and Interpace Diagnostics, LLC), and related notes as included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the Securities & Exchange Commission ("SEC") on April 1, 2021 and as amended on April 29, 2021 and August 20, 2021.

The condensed Interim Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial reporting and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The condensed Interim Financial Statements include all normal recurring adjustments that, in the judgment of management, are necessary for a fair presentation of such interim financial statements. Discontinued operations include the Company's wholly owned subsidiaries: Group DCA, LLC, InServe Support Solutions; and TVG, Inc. and its Commercial Services business unit which was sold on December 22, 2015. All significant intercompany balances and transactions have been eliminated in consolidation. Operating results for the nine-month period ended September 30, 2021 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2021.

3. LIQUIDITY

The accompanying consolidated financial statements have been prepared on a basis that assumes that the Company will continue as a going concern and that contemplates the continuity of operations, the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Accordingly, the accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might result from the outcome of this uncertainty.

As of September 30, 2021, the Company had cash and cash equivalents, net of restricted cash of $3.2 million, net accounts receivable of $6.5 million, total current assets, net of restricted cash of $12.8 million and total current liabilities of $22.8 million. For the nine month period ended September 30, 2021, the Company had a net loss of $11.2 million and cash used in operating activities was $7.5 million. As of November 5, 2021 we had approximately $2.4 million of cash on hand, net of restricted cash.

The Company has and may continue to delay, scale-back, or eliminate certain of its activities and other aspects of its operations until such time as the Company is successful in securing additional funding. The Company is exploring various dilutive and non-dilutive sources of funding, including equity and debt financings, strategic alliances, business development and other sources.

The delisting from Nasdaq of our common stock which is now quoted for trading on OTCQX and the Company's resulting inability to use Form S-3 for offerings by it may each have an adverse impact on our ability to raise additional capital. The quotation of our common stock on OTCQX may provide significantly less liquidity than when our stock was listed on Nasdaq and we may experience greater difficulty in raising capital through the public or private sale of equity securities. The future success of the Company is dependent upon its ability to obtain additional funding. There can be no assurance, however, that the Company will be successful in obtaining such funding in sufficient amounts, on terms acceptable to the Company, or at all. In October 2021, the Company entered into a $7.5 million revolving credit facility with Comerica Bank ("Comerica Loan Agreement"). In addition, also in October 2021, the Company entered into a new $8.0 million term loan with BroadOak Fund V, L.P. ("BroadOak") ("BroadOak Term Loan"), the proceeds of which were used to repay in full at their maturity the notes extended by Ampersand 2018 Limited Partnership ("Ampersand") and 1315 Capital II, L.P. ("1315 Capital"). See Note 20, *Subsequent Events* for more details. As of the date of this Report, the Company currently anticipates that current cash and cash equivalents will be sufficient to meet its anticipated operating cash requirements through the end of fiscal 2022.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experience, facts and circumstances available at the time, and various other assumptions that are believed to be reasonable under the circumstances. Significant estimates include accounting for valuation allowances related to deferred income taxes, contingent consideration, allowances for doubtful accounts, revenue recognition, unrecognized tax benefits, and asset impairments involving other intangible assets. The Company periodically reviews these matters and reflects changes in estimates in earnings as appropriate. Actual results could materially differ from those estimates.

Revenue Recognition

Our clinical services derive its revenues from the performance of its proprietary assays or tests. The Company's performance obligation is fulfilled upon the completion, review and release of test results to the customer. The Company subsequently bills third-party payers or direct-bill payers for the tests performed. Under Accounting Standards Codification 606, revenue is recognized based on the estimated transaction price or net realizable value ("NRV"), which is determined based on historical collection rates by each payer category for each proprietary test offered by the Company. To the extent the transaction price includes variable consideration, for all third party and direct-bill payers and proprietary tests, the Company estimates the amount of variable consideration that should be included in the transaction price using the expected value method based on historical experience.

For our clinical services, we regularly review the ultimate amounts received from the third-party and direct-bill payers and related estimated reimbursement rates and adjust the NRV's and related contractual allowances accordingly. If actual collections and related NRV's vary significantly from our estimates, we will adjust the estimates of contractual allowances, which affects net revenue in the period such variances become known.

For our pharma services, project level activities, including study setup and project management, are satisfied over the life of the contract while performance-related obligations are satisfied at a point in time as the Company processes samples delivered by the customer. Revenues are recognized at a point in time when the test results or other deliverables are reported to the customer.

Deferred Revenue

For our pharma services, project level fee revenue is recognized as deferred revenue and recorded at fair value. It represents payments received in advance of services rendered and is recognized ratably over the life of the contract.

Financing and Payment

For non-Medicare claims, our payment terms vary by payer category. Payment terms for direct-payers in our clinical services are typically thirty days and in our pharma services, up to sixty days. Commercial third-party-payers are required to respond to a claim within a time period established by their respective state regulations, generally between thirty to sixty days. However, payment for commercial third-party claims may be subject to a denial and appeal process, which could take up to two years in some instances where multiple appeals are submitted. The Company generally appeals all denials from commercial third-party payers. We bill Medicare directly for tests performed for Medicare patients and must accept Medicare's fee schedule for the covered tests as payment in full.

Costs to Obtain or Fulfill a Customer Contract

Sales commissions are expensed in the period in which they have been earned. These costs are recorded in sales and marketing expense in the condensed consolidated statements of operations.

Accounts Receivable

The Company's accounts receivables represent unconditional rights to consideration and are generated using its clinical services and pharma services. The Company's clinical services are fulfilled upon completion of the test, review and release of the test results. In conjunction with fulfilling these services, the Company bills the third-party payer or direct-bill payer. Contractual adjustments represent the difference between the list prices and the reimbursement rates set by third-party payers, including Medicare, commercial payers, and amounts billed to direct-bill payers. Specific accounts may be written off after several appeals, which in some cases may take longer than twelve months. Pharma services represent, primarily, the performance of laboratory tests in support of clinical trials for pharma services customers. The Company bills these services directly to the customer.

Leases

The Company determines if an arrangement contains a lease in whole or in part at the inception of the contract. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term while lease liabilities represent our obligation to make lease payments arising from the lease. All leases with terms greater than twelve months result in the recognition of a ROU asset and a liability at the lease commencement date based on the present value of the lease payments over the lease term. Unless a lease provides all of the information required to determine the implicit interest rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. We use the implicit interest rate in the lease when readily determinable.

Our lease terms include all non-cancelable periods and may include options to extend (or to not terminate) the lease when it is reasonably certain that we will exercise

that option. Leases with terms of twelve months or less at the commencement date are expensed on a straight-line basis over the lease term and do not result in the recognition of an asset or liability. See Note 7, *Leases.*

Other Current Assets

Other current assets consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
	(unaudited)	
Lab supply inventory	$ 2,271	$ 2,052
Prepaid expenses	734	625
Other	130	45
Total other current assets	$ 3,135	$ 2,722

Long-Lived Assets, including Finite-Lived Intangible Assets

Finite-lived intangible assets are stated at cost less accumulated amortization. Amortization of finite-lived acquired intangible assets is recognized on a straight-line basis, using the estimated useful lives of the assets of approximately two years to ten years in acquisition-related amortization expense in the condensed consolidated statements of operations.

The Company reviews the recoverability of long-lived assets and finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized by reducing the recorded value of the asset to its fair value measured by future discounted cash flows. This analysis requires estimates of the amount and timing of projected cash flows and, where applicable, judgments associated with, among other factors, the appropriate discount rate. Such estimates are critical in determining whether any impairment charge should be recorded and the amount of such charge if an impairment loss is deemed to be necessary.

Basic and Diluted Net Loss per Share

A reconciliation of the number of shares of common stock, par value $0.01 per share, used in the calculation of basic and diluted loss per share for the three- and nine-month periods ended September 30, 2021 and 2020 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
Basic weighted average number of common shares	4,165	4,038	4,119	4,025
Potential dilutive effect of stock-based awards	-	-	-	-
Diluted weighted average number of common shares	4,165	4,038	4,119	4,025

The Company's Series B Preferred Stock, on an as converted basis of 7,833,334 shares for the three- and nine-months ended September 30, 2021, and the following outstanding stock-based awards and warrants, were excluded from the computation of the effect of dilutive securities on loss per share for the following periods as they would have been anti-dilutive (rounded to thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
Options	684	878	684	878
Restricted stock and restricted stock units (RSUs)	366	28	366	28
Warrants	1,405	1,405	1,405	1,405
	2,455	2,311	2,455	2,311

Reclassifications

The Company reclassified certain prior period balances to conform to the current year presentation.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is attributable to the acquisition of our pharma services in July 2019. The carrying value of the intangible assets acquired was $15.6 million, with goodwill of approximately $8.3 million and identifiable intangible assets of approximately $7.3 million. In 2019, there was an adjustment to goodwill of $0.1 million. The goodwill balance at September 30, 2021 was $8.4 million. The net carrying value of the identifiable intangible assets from all acquisitions as of September 30, 2021 and December 31, 2020 are as follows:

	Life (Years)	As of September 30, 2021 Carrying Amount	As of December 31, 2020 Carrying Amount
		(unaudited)	
Asuragen acquisition:			
Thyroid	9	$ 8,519	$ 8,519
RedPath acquisition:			
Pancreas test	7	16,141	16,141
Barrett's test	9	6,682	6,682
BioPharma acquisition:			
Trademarks	10	1,600	1,600
Customer relationships	8	5,700	5,700
CLIA Lab	2.3	609	609
Total		$ 39,251	$ 39,251

Accumulated Amortization	$ (31,237)	$ (27,900)
Net Carrying Value	$ 8,014	$ 11,351

Amortization expense was approximately $1.1 million for both the three-month periods ended September 30, 2021 and 2020, respectively and approximately $3.3 million for both the nine-month periods ended September 30, 2021 and 2020, respectively. Estimated amortization expense for the next five years is as follows:

2021	2022	2023	2024	2025
$ 1,112	$ 2,155	$ 2,099	$ 873	$ 873

The following table displays a roll forward of the carrying amount of goodwill from December 31, 2020 to September 30, 2021:

	Carrying Amount
Balance as of December 31, 2020	$ 8,433
Adjustments	-
Balance as of September 30, 2021	$ 8,433

6. FAIR VALUE MEASUREMENTS

Cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their relative short-term nature. The Company's financial liabilities reflected at fair value in the condensed consolidated financial statements include contingent consideration and warrant liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based upon observable inputs used in the valuation techniques, the Company is required to provide information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values into three broad levels as follows:

Level 1: Valuations for assets and liabilities traded in active markets from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3: Valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The valuation methodologies used for the Company's financial instruments measured on a recurring basis at fair value, including the general classification of such instruments pursuant to the valuation hierarchy, is set forth in the tables below:

	As of September 30, 2021		Fair Value Measurements As of September 30, 2021		
	Carrying Amount	Fair Value	Level 1 (unaudited)	Level 2	Level 3
Liabilities:					
Contingent consideration:					
Asuragen [1]	$ 2,136	$ 2,136	$ -	$ -	$ 2,136
Other long-term liabilities:					
Warrant liability [2]	158	158	-	-	158
	$ 2,294	$ 2,294	$ -	$ -	$ 2,294

	As of December 31, 2020		Fair Value Measurements As of December 31, 2020		
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Liabilities:					
Contingent consideration:					
Asuragen [1]	$ 2,216	$ 2,216	$ -	$ -	$ 2,216
Other long-term liabilities:					
Warrant liability [2]	21	21	-	-	21
	$ 2,237	$ 2,237	$ -	$ -	$ 2,237

[1][2] See Note 9, *Accrued Expenses and Long-Term Liabilities*

In connection with the acquisition of certain assets from Asuragen, Inc., the Company recorded contingent consideration related to contingent payments and other revenue-based payments. The Company determined the fair value of the contingent consideration based on a probability-weighted income approach derived from revenue estimates. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement.

A roll forward of the carrying value of the Contingent Consideration Liability and the 2017 Underwriters' Warrants to September 30, 2021 is as follows:

	December 31, 2020	Payments	Accretion	Cancellation of Obligation/ Conversions Exercises	Adjustment to Fair Value/ Mark to Market	September 30, 2021
				(unaudited)		
Contingent consideration liability	$ 2,216	$ (398)	$ 375	$ -	$ (57)	$ 2,136
Underwriters Warrants	21	-	-	-	137	158
	$ 2,237	$ (398)	$ 375	$ -	$ 80	$ 2,294

Certain of the Company's non-financial assets, such as other intangible assets and goodwill, are measured at fair value on a nonrecurring basis when there is an indicator of impairment and recorded at fair value only when an impairment charge is recognized.

7. LEASES

Finance lease assets are included in fixed assets, net of accumulated depreciation.

The table below presents the lease-related assets and liabilities recorded in the Condensed Consolidated Balance Sheet:

	Classification on the Balance Sheet	September 30, 2021	December 31, 2020
		(unaudited)	
Assets			
Financing lease assets	Property and equipment, net	$ 652	$ 597
Operating lease assets	Operating lease right of use assets	3,989	4,384
Total lease assets		$ 4,641	$ 4,981
Liabilities			
Current			
Financing lease liabilities	Other accrued expenses	$ 98	$ 177
Operating lease liabilities	Other accrued expenses	1,030	1,027
Total current lease liabilities		$ 1,128	$ 1,204
Noncurrent			
Financing lease liabilities	Other long-term liabilities	75	138
Operating lease liabilities	Operating lease liabilities, net of current portion	3,152	3,540
Total long-term lease liabilities		3,227	3,678
Total lease liabilities		$ 4,355	$ 4,882

The weighted average remaining lease term for the Company's operating leases was 6.6 years as of September 30, 2021 and 7.1 years as of December 31, 2020 and the weighted average discount rate for those leases was 6.4% and 6.0% as of September 30, 2021 and December 31, 2020, respectively. The Company's operating lease expenses are recorded within "Cost of revenue" and "General and administrative expenses."

The table below reconciles the cash flows to the lease liabilities recorded on the Company's Condensed Consolidated Balance Sheet as of September 30, 2021:

	Operating Leases	Financing Leases
2021 (remaining through December 31)	312	39
2022	1,192	86
2023	794	60
2024	473	-
2025	402	-
2026	414	-
Thereafter	1,510	-
Total minimum lease payments	5,097	185
Less: amount of lease payments representing effects of discounting	915	12
Present value of future minimum lease payments	4,182	173
Less: current obligations under leases	1,030	98
Long-term lease obligations		
	$ 3,152	$ 75

As of September 30, 2021, contractual obligations with terms exceeding one year and estimated minimum future rental payments required by non-cancelable operating leases with initial or remaining lease terms exceeding one year were as follows:

	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	After 5 Years
Operating lease obligations	$ 5,097	$ 312	$ 1,986	$ 875	$ 1,924
Total	$ 5,097	$ 312	$ 1,986	$ 875	$ 1,924

8. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Company may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. When the Company is aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the Company will record a liability for the loss. In addition to the estimated loss, the recorded liability includes probable and estimable legal costs associated with the claim or potential claim. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm the Company's business. There is currently litigation involving the Company at this time.

Due to the nature of the businesses in which the Company is engaged, it is subject to certain risks. Such risks include, among others, risk of liability for personal injury or death to persons using products or services that the Company promotes or commercializes. There can be no assurance that substantial claims or liabilities will not arise in the future due to the nature of the Company's business activities. There is also the risk of employment related litigation and other litigation in the ordinary course of business.

The Company could also be held liable for errors and omissions of its employees in connection with the services it performs that are outside the scope of any indemnity or insurance policy. The Company could be materially adversely affected if it were required to pay damages or incur defense costs in connection with a claim that is outside the scope of an indemnification agreement; if the indemnity, although applicable, is not performed in accordance with its terms; or if the Company's liability exceeds the amount of applicable insurance or indemnity.

9. ACCRUED EXPENSES AND LONG-TERM LIABILITIES

Other accrued expenses consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
	(unaudited)	
Accrued royalties	$ 3,572	$ 2,710
Upfront Medicare payment	-	2,066
Operating lease liabilities	1,030	1,027
All others	1,056	1,182
Accrued professional fees	931	854
Unclaimed property	565	565
Contingent consideration	473	398
Accrued pharma services invoices	438	108
Taxes payable	248	334
Accrued lab costs - diagnostics	514	161
Financing lease liabilities	98	177
ESPP payable	37	108
Accrued sales and marketing - diagnostics	41	51
Deferred revenue	40	54
Total other accrued expenses	$ 9,043	$ 9,795

Long-term liabilities consisted of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
	(unaudited)	
Uncertain tax positions	$ 4,517	$ 4,342
Warrant liability	158	21
Financing lease liabilities	75	138
Deferred revenue	18	136
Total other long-term liabilities	$ 4,768	$ 4,637

10. STOCK-BASED COMPENSATION

Historically, stock options have been granted with an exercise price equal to the market value of the common stock on the date of grant, with expiration 10 years from the date they are granted, and generally vest over a one to three-year period for employees and members of the Board. Upon exercise, new shares will be issued by the Company. The restricted shares and restricted stock units ("RSUs") granted to Board members and employees generally have a three-year graded vesting period and are subject to accelerated vesting and forfeiture under certain circumstances.

The following table provides the weighted average assumptions used in determining the fair value of the stock option awards granted during the nine-month periods ended September 30, 2021 and 2020.

	September 30, 2021	September 30, 2020
	(unaudited)	
Risk-free interest rate	0.78%	0.79%
Expected life	6.0 years	6.6 years
Expected volatility	134.79%	122.24%
Dividend yield	-	-

During March 2021, the Company granted 312,500 stock options with an exercise price of $6.00 and 152,500 RSUs. The market value of the Company's common stock was $5.00 at the grant date of these awards. The Company recognized approximately $0.5 million and $0.6 million of stock-based compensation expense during the three-month periods ended September 30, 2021 and 2020, respectively and approximately $1.3 million and $1.4 million of stock-based compensation expense during the nine-month periods ended September 30, 2021 and 2020, respectively. The following table has a breakout of stock-based compensation expense by line item.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
Cost of revenue	$ 52	$ 60	$ 154	$ 187
Sales and marketing	76	39	201	136
Research and development	24	30	83	99
General and administrative*	325	434	876	959
Total stock compensation expense	$ 477	$ 563	$ 1,314	$ 1,381

* Includes ESPP expense

11. INCOME TAXES

Generally, accounting standards require companies to provide for income taxes each quarter based on their estimate of the effective tax rate for the full year. The authoritative guidance for accounting for income taxes allows use of the discrete method when it provides a better estimate of income tax expense. Due to the Company's valuation allowance position, it is the Company's position that the discrete method provides a more accurate estimate of income tax expense and therefore income tax expense for the current quarter has been presented using the discrete method. As the year progresses, the Company refines its estimate based on the facts and circumstances by each tax jurisdiction. The following table summarizes income tax expense on loss from continuing operations and the effective tax rate for three- and nine-month periods ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
(Benefit) provision for income tax	$ (714)	$ 14	$ (684)	$ 43
Effective income tax rate	16.9%	0.2%	5.8%	0.2%

The Company participated in the State of New Jersey's Technology Business Tax Certificate Transfer Program (the "Program") sponsored by The New Jersey Economic Development Authority. The Program enables approved biotechnology companies with unused net operating losses (NOLs) and unused research and development credits to sell these benefits for at least 80% of the value of the tax benefits to unaffiliated, profitable corporate taxpayers in the State of New Jersey. The Program is administered by The New Jersey Economic Development Authority and the New Jersey Department of the Treasury's Division of Taxation. In July 2021, the Company completed the sale of NOLs totaling approximately $0.7 million. This amount is a current state tax benefit and is reflected in the statement of operations for the three- and nine-months ended September 30, 2021. Income tax expense for both the three- and nine-month periods ended September 30, 2020 was primarily due to minimum state and local taxes.

12. SEGMENT INFORMATION

We operate under one segment which is the business of developing and selling clinical and pharma services.

13. DISCONTINUED OPERATIONS

The components of liabilities classified as discontinued operations consist of the following as of September 30, 2021 and December 31, 2020:

	September 30, 2021	December 31, 2020
	(unaudited)	
Accrued liabilities	766	766
Current liabilities from discontinued operations	766	766
Total liabilities	$ 766	$ 766

The table below presents the significant components of CSO, Group DCA's, Pharmakon's and TVG's results included within loss from discontinued operations, net of tax in the condensed consolidated statements of operations for the three- and nine-months ended September 30, 2021 and 2020.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
Income from discontinued operations, before tax	$ -	$ -	$ -	$ -
Income tax expense	62	65	175	194
Loss from discontinued operations, net of tax	$ (62)	$ (65)	$ (175)	$ (194)

14. NOTES PAYABLE – RELATED PARTIES

Secured Promissory Notes

On January 7, 2021, the Company entered into promissory notes with Ampersand, in the amount of $3 million, and 1315 Capital, in the amount of $2 million, respectively (together, the "Notes") and a related security agreement (the "Security Agreement").

Ampersand holds 28,000 shares of the Company's Series B Convertible Preferred Stock, which are convertible from time to time into an aggregate of 4,666,666 shares of our Common Stock, and 1315 Capital holds 19,000 shares of the Company Series B Convertible Preferred Stock, which are convertible from time to time into an aggregate of 3,166,668 shares of our Common Stock. On an as-converted basis, such shares would represent approximately 38.9% and 26.4% of our fully-diluted shares of Common Stock, respectively. In addition, pursuant to the terms of the Series B Convertible Preferred Stock certificate of designation and an amended and restated investor rights agreement among the Company and Ampersand and 1315 Capital, they each have the right to (1) approve certain of our actions, including our borrowing of money and any public offering of securities, and (2) designate two directors to our Board of Directors; provided, that certain of such rights held by 1315 Capital have been delegated pursuant to the related Support Agreement (See Note 16, *Equity*). As a result, the Company considers the Notes and Security Agreement to be a related party transaction.

The rate of interest on the Notes is equal to eight percent (8.0%) per annum and their maturity date was the earlier of (a) June 30, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Notes. No interest payments are due on the Notes until their maturity date. All payments on the Notes are pari passu.

On May 10, 2021, (i) the Company and Ampersand amended the Ampersand Note to increase its principal amount to $4.5 million, (ii) the Company and 1315 Capital amended the 1315 Capital Note to increase its principal amount to $3.0 million and (iii) the Company and Ampersand amended the Security Agreement to include the new total principal amount of the Notes of $7.5 million. The maturity date of the Notes remained the earlier of June 30, 2021 and the date on which all amounts become due upon the occurrence of any event of default and the interest rate remained 8%, and except with respect to their respective principal amounts, the terms of the Notes and the Security Agreement were otherwise unchanged.

On June 24, 2021, the Company and Ampersand amended the Ampersand Note to change its maturity date to the earlier of (a) August 31, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Ampersand Note. On June 25, 2021, the Company and 1315 Capital amended the

1315 Capital Note to change its maturity date in a similar manner. Except with respect to their respective maturity dates, the terms of the Notes are otherwise unchanged. The Security Agreement remains in full force and effect, and was not amended in connection with the amendments to the Notes.

On August 31, 2021, the Company and Ampersand amended the Ampersand Note to change its maturity date to the earlier of (a) September 30, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Ampersand Note. On August 31, 2021, the Company and 1315 Capital amended the 1315 Capital Note to change its maturity date in a similar manner.

On September 29, 2021, the Company and Ampersand amended the Ampersand Note to change its maturity date to the earlier of (a) October 31, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Ampersand Note. On September 29, 2021, the Company and 1315 Capital amended the 1315 Capital Note to change its maturity date in a similar manner. Through September 30, 2021, approximately $0.1 million in financing fees have been paid.

In the case of the amendments, the Company reviewed the changes in accordance with ASC 470 and determined they should be treated as modifications. As of September 30, 2021, the Company has incurred approximately $18,000 in additional deferred financing expenses associated with the amendments.

In connection with the Security Agreement, the Notes were secured by a first priority lien and security interest on substantially all of the assets of the Company. In connection with entering into the Comerica Loan Agreement, the Security Agreement lien and secured interest became subordinate to the Comerica Loan. Additionally, if a change of control of the Company occurs (as defined in the Notes) the Company is required to make a prepayment of the Notes in an amount equal to the unpaid principal amount, all accrued and unpaid interest, and all other amounts payable under the Notes out of the net cash proceeds received by the Company from the consummation of the transactions related to such change of control. The Company may prepay the Notes in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. No prepaid amount may be re-borrowed.

The Notes contain certain negative covenants which prevent the Company from issuing any debt securities pursuant to which the Company issues shares, warrants or any other convertible security in the same transaction or a series of related transactions, except that Company may incur or enter into any capitalized and operating leases in the ordinary course of business consistent with past practice, or borrowed money or funded debt in an amount not to exceed $4.5 million (the "Debt Threshold") that is subordinated to the Notes on terms acceptable to Ampersand and 1315 Capital; provided, that if the aggregate consolidated revenue recognized by the Company as reported on Form 10-K as filed with the SEC for any fiscal year ending after January 10, 2020 exceeds $45 million, the Debt Threshold for the following fiscal year shall increase to an amount equal to: (x) ten percent (10%); multiplied by (y) the consolidated revenue as reported by the Company on Form 10-K as filed with the SEC for the previous fiscal year.

The Notes were repaid in full at maturity. See Note 20,*Subsequent Events*.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental Disclosures of Non Cash Activities
(in thousands)

	Nine Months Ended September 30,	
	2021	**2020**
	(unaudited)	
Operating		
Taxes accrued for repurchase of restricted shares	$ -	$ 49
Investing		
Preferred Stock Deemed Dividend	$ -	$ 3,033
Investment in DiamiR	248	-

16. EQUITY

Preferred Stock Issuance: Securities Purchase and Exchange Agreement

On January 10, 2020, the Company entered into a Securities Purchase and Exchange Agreement (the "Securities Purchase and Exchange Agreement") with 1315 Capital and Ampersand (collectively, the "Investors") pursuant to which the Company agreed to sell to the Investors an aggregate of $20.0 million in Series B Preferred Stock of the Company, at an issuance price per share of $1,000. Pursuant to the Securities Purchase and Exchange Agreement, 1315 Capital agreed to purchase 19,000 shares of Series B Preferred Stock at an aggregate purchase price of $19.0 million and Ampersand agreed to purchase 1,000 shares of Series B Preferred Stock at an aggregate purchase price of $1.0 million.

In addition, the Company agreed to exchange $27.0 million of the Company's existing Series A convertible preferred stock, par value $0.01 per share, held by Ampersand (the "Series A Preferred Stock"), represented by 270 shares of Series A Preferred Stock with a stated value of $100,000 per share, which represents all of the Company's issued and outstanding Series A Preferred Stock, for 27,000 newly issued shares of Series B Preferred Stock (such shares of Series B Preferred Stock, the "Exchange Shares" and such transaction, the "Exchange"). Following the Exchange, no shares of Series A Preferred Stock remained designated, authorized, issued or outstanding. The Series B Preferred Stock has a conversion price of $6.00 as compared to a conversion price of $8.00 on the Series A Preferred Stock, but did not include certain rights applicable to the Series A Preferred Stock, including a six-percent (6%) dividend and a conversion price adjustment for any failure by the Company to achieve a revenue target of $34.0 million in 2020 related to its clinical services or a weighted-average anti-dilution adjustment. Under the terms of the Securities Purchase and Exchange Agreement, Ampersand also agreed to waive all dividends and weighted-average anti-dilution adjustments accrued to date on the Series A Preferred Stock.

A convertible financial instrument includes a beneficial conversion feature if its conversion price is lower than the Company's stock price at the commitment date. The Company determined that the sale of the Series B Preferred resulted in a beneficial conversion feature with an intrinsic value of $2.2 million, which the Company recorded as a reduction to additional paid-in capital upon the sale of the Series B Preferred stock. The Company calculated the intrinsic value of the beneficial conversion feature as the difference between the estimated fair value of the Common Stock on January 15, 2020 of $6.79 per share and the effective conversion price per share of $6.00 multiplied by the number of shares of common stock issuable upon conversion. The Company fully amortized the beneficial conversion feature during the three months ended March 31, 2020 in accordance with GAAP. The beneficial conversion feature resulted in an increase in the loss attributable to common shareholders for the three months ended March 31, 2020 in the Condensed Consolidated Statement of Operations, as it represented a deemed dividend to the preferred shareholders.

In April 2020, the Company entered into support agreements with each of the Series B Investors, pursuant to which Ampersand and 1315 Capital, respectively, consented

to, and agreed to vote (by proxy or otherwise), all shares of Series B Preferred Stock registered in its name or beneficially owned by it and/or over which it exercises voting control as of the date of the Support Agreement and any other shares of Series B Preferred Stock legally or beneficially held or acquired by such Series B Investor after the date of the Support Agreement or over which it exercises voting control, in favor of any Fundamental Action desired to be taken by the Company as determined by the Board. For purposes of each Support Agreement, "Fundamental Action" means any action proposed to be taken by the Company and set forth in Section 4(d)(i), 4(d)(ii), 4(d)(v), 4(d)(vi), 4(d)(viii) or 4(d)(ix) of the Certificate of Designation of Series B Preferred Stock or Section 8.5.1.1, 8.5.1.2, 8.5.1.5, 8.5.1.6, 8.5.1.8 or 8.5.1.9 of the Amended and Restated Investor Rights Agreement. The support agreement between the Company and Ampersand was terminated by mutual agreement on July 9, 2020; however, the support agreement entered into with 1315 Capital remains in effect. During October 2021, Ampersand and 1315 Capital provided consent to the Company to enter into the Comerica Loan Agreement and the BroadOak Term Loan.

17. WARRANTS

Warrants outstanding and warrant activity for the nine-months ended September 30, 2021 are as follows:

Description	Classification	Exercise Price	Expiration Date	Warrants Issued	Balance December 31, 2020	Warrants Cancelled/ Expired	Balance September 30, 2021
Private Placement Warrants, issued January 25, 2017	Equity	$ 46.90	June 2022	85,500	85,500	-	85,500
RedPath Warrants, issued March 22, 2017	Equity	$ 46.90	September 2022	10,000	10,000	-	10,000
Underwriters Warrants, issued June 21, 2017	Liability	$ 13.20	December 2022	57,500	53,500	-	53,500
Base & Overallotment Warrants, issued June 21, 2017	Equity	$ 12.50	June 2022	1,437,500	870,214	-	870,214
Warrants issued October 12, 2017	Equity	$ 18.00	April 2022	320,000	320,000	-	320,000
Underwriters Warrants, issued January 25, 2019	Equity	$ 9.40	January 2022	65,434	65,434	-	65,434
				1,975,934	1,404,648	-	1,404,648

The weighted average exercise price of the warrants is $15.97 and the weighted average remaining contractual life is approximately 0.7 years.

18. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Guidance

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes ("ASU 2019-12"). ASU 2019-12 will simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. The amendment was effective for annual periods beginning after December 15, 2020.

The Company adopted this pronouncement on January 1, 2021 and the impact was not material to the Company's Consolidated Financial Statements.

In February 2020, the FASB issued ASU 2020-02, Financial Instruments-Credit Losses (Topic 326) and Leases (Topic 842) - Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) which amends the effective date of the original pronouncement for smaller reporting companies. ASU 2016-13 and its amendments will be effective for the Company for interim and annual periods in fiscal years beginning after December 15, 2022. The Company believes the adoption will modify the way the Company analyzes financial instruments, but it does not anticipate a material impact on results of operations. The Company is in the process of determining the effects adoption will have on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815 – 40), ("ASU 2020-06"). ASU 2020-06 simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU2020-06 amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company does not expect this will have any impact on its unaudited consolidated financial statements.

19. TRANSITION EXPENSES

These expenses are primarily related to the Rutherford, NJ lab closing and subsequent move to North Carolina, as well as other cost-saving initiatives, primarily reductions in headcount as well as certain lergal expenses. The following is a roll forward of the transition expenses liabilities:

	Personnel	Facilities/ Infrastructure	Legal	Total
		(unaudited)		
Balance at December 31, 2020	$ 885	$ 269	$ -	$ 1,154
Transition expenses	1,044	925	505	2,474
Payments	(1,929)	(1,164)	(269)	(3,362)
Balance at September 30, 2021	$ -	$ 30	$ 236	$ 266

20. SUBSEQUENT EVENTS

Revolving Line of Credit

On October 13, 2021, the Company and its subsidiaries entered into a Loan and Security Agreement (the "Comerica Loan Agreement") with Comerica Bank ("Comerica"), providing for a revolving credit facility of up to $7,500,000 (the "Credit Facility"). The Company may use the proceeds of the Credit Facility for working capital and other general corporate purposes.

The amount that may be borrowed under the Credit Facility is the lower of (i) the revolving limit of $7,500,000 (the "Revolving Line") and (ii) 80% of the Company's eligible accounts receivable plus an applicable non-formula amount consisting of $2,000,000 of additional availability at close not based upon the Company's eligible accounts receivable, with such additional availability reducing by $250,000 per quarter beginning with the quarter ending June 30, 2022. Borrowings on the Credit Facility are limited to $5,000,000 until 80% of the Company's and its subsidiaries' customers are paying into a collection account or segregated governmental account with Comerica. The Revolving Line can also include, at the Company's option, credit card services with a sublimit of $300,000. Borrowings on the Revolving Line are subject to an interest rate equal to prime plus 0.50%, with prime being the greater of (x) Comerica's stated prime rate or (y) the sum of (A) the daily adjusting LIBOR rate plus (B) 2.5% per annum. The Company is also required to pay an unused facility fee quarterly in arrears in an amount equal to 0.25% per annum on the average unused but available portion of the Revolving Line for such quarter.

The Credit Facility matures on September 30, 2023, and is secured by a first priority lien on substantially all of the assets of the Company and its subsidiaries.

The Comerica Loan Agreement contains affirmative and negative restrictive covenants that are applicable whether or not any amounts are outstanding under the Comerica Loan Agreement. These restrictive covenants could adversely affect our ability to conduct our business. The Comerica Loan Agreement also contains customary events of default.

As a condition for Comerica to extend the Credit Facility to the Company and its subsidiaries, the Company's existing creditors, Ampersand and 1315 Capital (the "Existing Creditors"), entered into that certain Subordination Agreement, dated as of October 13, 2021, pursuant to which each Existing Creditor agreed to subordinate all of the indebtedness and obligations of the Company and its subsidiaries owing to such Existing Creditor to all of the indebtedness and obligations of the Company and its subsidiaries owing to Comerica (the "Subordination Agreement"). Each Existing Creditor further agreed to subordinate all of its respective security interests in assets or property of the Company and its subsidiaries to Comerica's security interests in such assets or property. The Subordination Agreement provides that it is solely for the benefit of Comerica and each of the Existing Creditors and is not for the benefit of the Company or any of its subsidiaries.

BroadOak Loan and Repayment of Promissory Notes

On October 29, 2021, the Company and its subsidiaries entered into a Loan and Security Agreement (the "BroadOak Loan Agreement") with BroadOak, providing for a term loan in the aggregate principal amount of $8,000,000 (the "Term Loan"). Funding of the Term Loan took place on November 1, 2021. The Company used the proceeds of the Term Loan to repay in full at their maturity all outstanding indebtedness under the promissory notes with Ampersand, dated January 7, 2021 and as last amended on September 29, 2021, in the amount of $4.5 million, and 1315 Capital, dated January 7, 2021 and as last amended on September 29, 2021, in the amount of $3 million, respectively. The Company, Ampersand, and 1315 Capital also terminated a related security agreement.

The Term Loan matures upon the earlier of (i) October 31, 2024 or (ii) the occurrence of a change in control, and bears interest at the rate of 9% per annum. The Term Loan is secured by a security interest in substantially all of the Company's and its subsidiaries' assets and is subordinate to the Company's recently established $7,500,000 revolving credit facility with Comerica Bank. The Term Loan has an origination fee of 3% of the Term Loan amount, and a terminal payment equal to (i) 15% of the original principal amount of the Term Loan if the change of control occurs on or prior to the first anniversary of the funding of the Term Loan, (ii) 20% of the original principal amount of the Term Loan if the change of control occurs after the first anniversary but on or prior to the second anniversary of the funding of the Term Loan and (iii) 30% of the original principal amount of the Term Loan if the change of control occurs after the second anniversary of the funding of the Term Loan, or if the Term Loan is repaid on its maturity date.

The BroadOak Loan Agreement contains affirmative and negative restrictive covenants that are applicable from and after the date of the Term Loan advance. These restrictive covenants could adversely affect our ability to conduct our business. The BroadOak Loan Agreement also contains customary events of default.

The representations, warranties and covenants contained in the BroadOak Loan Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of such agreement. The representations and warranties may have been made for the purposes of allocating contractual risk between the parties to such agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under such agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the Company or any of its subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of such agreement, and this subsequent information may or may not be fully reflected in the Company's public disclosure.

In connection with the BroadOak Loan Agreement, the Company and its subsidiaries entered into that certain First Amendment to Loan and Security Agreement and Consent with Comerica, dated as of November 1, 2021 (the "Comerica Amendment"), pursuant to which Comerica consented to the Company's and its subsidiaries' entry into the BroadOak Loan Agreement, and amended that certain Loan and Security Agreement among Comerica, the Company and its subsidiaries (the "Comerica Loan Agreement") to, among other things, permit the indebtedness, liens and encumbrances contemplated by the BroadOak Loan Agreement.

As a condition for BroadOak to extend the Term Loan to the Company and its subsidiaries, the Company's existing creditor, Comerica, and BroadOak entered into that certain Subordination and Intercreditor Agreement, dated as of November 1, 2021, pursuant to which BroadOak agreed to subordinate all of the indebtedness and obligations of the Company and its subsidiaries owing to BroadOak to all of the indebtedness and obligations of the Company and its subsidiaries owing to Comerica (the "Intercreditor Agreement"). BroadOak further agreed to subordinate all of its respective security interests in assets or property of the Company and its subsidiaries to Comerica's security interests in such assets or property. The Intercreditor Agreement provides that it is solely for the benefit of BroadOak and Comerica and is not for the benefit of the Company or any of its subsidiaries.

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

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements that are not historical facts, including statements about our plans, objectives, beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words "believes," "expects," "anticipates," "plans," "estimates," "intends," "projects," "should," "could," "may," "will" or similar words and expressions. These forward-looking statements are contained throughout this Form 10-Q.

Forward-looking statements are only predictions and are not guarantees of future performance. These statements are based on current expectations and assumptions involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. These predictions are also affected by known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed or implied by any forward-looking statement. Many of these factors are beyond our ability to control or predict. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors. Such factors include, but are not limited to, the following:

- potential future material adverse impact of Coronavirus (COVID-19) pandemic;
- the quotation of our common stock on the OTCQX and our inability to use Form S-3 for offerings by the Company may adversely affect our ability to raise additional capital;
- our expectations of future revenues, expenditures, capital or other funding requirements;
- the operating performance of our clinical services and pharma solutions businesses;
- we generally depend on sales and reimbursements from our clinical services for more than 50% of our revenue; the ability to continue to generate sufficient revenue from these and other products and/or solutions that we develop in the future is important for our ability to meet our financial and other targets;
- our revenue recognition is based, in part, on our estimates for future collections and such estimates may prove to be incorrect;
- our ability to finance our business on acceptable terms in the future, which may limit the ability to grow our business, develop and commercialize products and services, develop and commercialize new molecular clinical service solutions and technologies and expand our pharma services offerings;
- our obligations to make royalty and milestone payments to our licensors;
- our dependence on third parties for the supply of some of the materials used in our clinical and pharma services tests;
- the potential adverse impact of current and future laws, licensing requirements and governmental regulations upon our business operations, including but not limited to the evolving U.S. regulatory environment related to laboratory developed tests ("LDTs"), pricing of our tests and services and patient access limitations;

- our reliance on our sales and marketing activities for future business growth and our ability to continue to expand our sales and marketing activities;
- our ability to implement our business and restructuring strategy; and
- the potential impact of existing and future contingent liabilities on our financial condition.

Please see Part I – Item 1A – "Risk Factors" in our Form 10-K for the fiscal year ended December 31, 2020 filed with the SEC on April 1, 2021, as amended, as well as other documents we file with the SEC from time-to-time, for other important factors that could cause our actual results to differ materially from our current expectations as expressed in the forward-looking statements discussed in this Form 10-Q. Because of these and other risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. In addition, these statements speak only as of the date of the report in which they are set forth and, except as may be required by law, we undertake no obligation to revise or update publicly any forward-looking statements for any reason.

OVERVIEW

We are an emerging leader in enabling precision medicine principally in oncology by offering specialized services along the therapeutic value chain from early diagnosis and prognostic planning to targeted therapeutic applications through our clinical and pharma services. Through our clinical services, we enable physicians to personalize the clinical management of each individual patient by providing genomic information to better diagnose, monitor and inform cancer treatment. Our clinical services provide clinically useful molecular diagnostic tests, bioinformatics and pathology services for evaluating risk of cancer by leveraging the latest technology in personalized medicine for improved patient diagnosis and management. Through our pharma services, we develop, commercialize and provide molecular- and biomarker-based tests and services and provide companies with customized solutions for patient stratification and treatment selection through an extensive suite of molecular and biomarker-based testing services, DNA- and RNA- extraction and customized assay development and trial design consultation. Our pharma services provide pharmacogenomics testing, genotyping, biorepository and other specialized services to the pharmaceutical and biotech industries and advance personalized medicine by partnering with pharmaceutical, academic and technology leaders to effectively integrate pharmacogenomics into drug development and clinical trial programs with the goals of delivering safer, more effective drugs to market more quickly, and improving patient care.

COVID-19 pandemic

The outbreak of the COVID-19 pandemic continues to impact a significant portion of the regions in which we operate. The continuing impact that the COVID-19 pandemic will have on our operations, including duration, severity and scope, remains highly uncertain and cannot be fully predicted at this time. While we believe we have generally recovered from the adverse impact that the COVID-19 pandemic had on our business during 2020, we believe that the COVID-19 pandemic could continue to adversely impact our results of operations, cash flows and financial condition in the future.

As our business operations continue to be impacted by the pandemic, we continue to monitor the situation and the guidance that is being provided by relevant federal, state and local public health authorities. We may take additional actions based upon their recommendations. However, it is possible that we may have to make further adjustments to our operating plans in reaction to developments that are beyond our control.

While we do not anticipate any lab closures at this time beyond periodic, temporary work stoppages to clean and disinfect the labs, this could change in the future based upon conditions caused by the pandemic. It is also possible that we could experience supply chain shortages if the pandemic worsens and if one or more suppliers is unable to continue to provide us with supplies. For the foreseeable future, however, we do not anticipate supply chain shortages of critical supplies.

We have developed and will continue to update our contingency plans in order to mitigate pandemic-related, adverse financial impacts upon our business.

Transition costs

To optimize the operations of laboratory operations within our pharma services, we transitioned activities from the Rutherford, NJ facility to our Morrisville, NC facility.

We invested several million dollars to facilitate this relocation, including but not limited to the transfer of personnel, expansion of the Morrisville facility and validation of transferred processes. We believe that this investment will result in a reduction in future operating costs; however, it is not certain whether we will fully realize the anticipated savings. We have also undergone several other cost-cutting initiatives, primarily reductions in headcount, and those costs are categorized as transition expenses as well.

Nasdaq delisting

On February 16, 2021, the Company received a delisting determination letter (the "Letter") from the Listing Qualifications Department (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") stating that the Staff had determined to delist the Company's common stock from Nasdaq due to the Company's failure to regain compliance with the Nasdaq Capital Market's minimum $2,500,000 stockholders' equity requirement for continued listing as set forth in Nasdaq Listing Rule 5550(b) (the "Rule") and the Company's failure to timely execute its plan to regain compliance under the Rule.

Nasdaq commenced with delisting the Company's common stock from the Nasdaq Capital Market and, suspended trading in the Company's common stock effective at the open of business on February 25, 2021.

On February 24, 2021, the Company was approved to have its common stock quoted on the OTCQX® Best Market tier of the OTC Markets Group Inc. (the "OTCQX"), an electronic quotation service operated by OTC Markets Group Inc. The trading of the Company's common stock commenced on OTCQX at the open of business on February 25, 2021 under the trading symbol IDXG.

Additional Reimbursement Coverage and Price Increase During 2021

Reimbursement progress is key for us. We have been successful to date in expanding both the scope and amount of product reimbursement for our clinical services in 2021. Examples of our progress include:

- In January 2021, we announced an agreement with Blue Cross Blue Shield of Florida under which ThyGeNEXT® and ThyraMIR® tests are now covered in-network services for their 5 million members.
- In February 2021, we announced an agreement with Blue Cross Blue Shield of Illinois that makes ThyGeNEXT® and ThyraMIR® tests covered in-network services for their more than 8 million members in Illinois.
- In April 2021, we announced that Novitas, our Medicare Administrative Contractor, has agreed to recognize the new Proprietary Laboratory Analysis (PLA) code that specifically identifies ThyGeNEXT® as a distinct test from any other test or service. The new PLA code for ThyGeNEXT® is 0245U and the reimbursement for this code remains $2,919, representing a significant price increase over the prior reimbursement level of $560.

- In May 2021, we announced that eviCore Healthcare ("eviCore"), a wholly owned subsidiary of Cigna, has updated their laboratory management guidelines to include positive coverage for ThyGeNEXT® and ThyraMIR®. This update, which impacts approximately 27 health plans nationwide covering 100 million lives, is effective on July 1, 2021. This means that after the effective date, claims for ThyGeNEXT and ThyraMIR which meet eviCore's criteria for coverage will be considered medically necessary and processed as a covered service.

Revenue Recognition

Clinical services derive its revenues from the performance of its proprietary assays or tests. Our performance obligation is fulfilled upon completion, review and release of test results to the customer, at which time we bill third-party payers or direct-bill payers for the tests performed. Under Accounting Standards Codification 606, revenue is recognized based upon the estimated transaction price or net realizable value ("NRV"), which is determined based on historical collection rates by each payer category for each proprietary test offered. To the extent that the transaction price includes variable consideration, for all third party and direct-bill payers and proprietary tests, we estimate the amount of variable consideration that should be included in the transaction price using the expected value method based on historical experience.

The ultimate amounts received from the third-party and direct-bill payers and related estimated reimbursement rates are regularly reviewed and we adjust the NRV's and related contractual allowances accordingly. If actual collections and related NRV's vary significantly from our estimates, we adjust the estimates of contractual allowances, which affects net revenue in the period such variances become known.

With respect to our pharma services, customer performance obligations are satisfied at a point in time as the Company processes samples delivered by the customer. Project level activities, including study setup and project management, are satisfied over the life of the contract. Revenues are recognized at a point in time when the test results or other deliverables are reported to the customer.

Cost of Revenue

Cost of revenue consists primarily of the costs associated with operating our laboratories and other costs directly related to our tests. Personnel costs, which constitute the largest portion of cost of services, include all labor-related costs, such as salaries, bonuses, fringe benefits and payroll taxes for laboratory personnel. Other direct costs include, but are not limited to, laboratory supplies, certain consulting expenses, royalty expenses, and facility expenses.

CONDENSED CONSOLIDATED RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data. The trends illustrated in this table may not be indicative of future results.

Condensed Consolidated Results of Continuing Operations for the Quarter Ended September 30, 2021 Compared to the Quarter Ended September 30, 2020 (unaudited, in thousands)

	Three Months Ended September 30,			
	2021	2021	2020	2020
Revenue, net	$ 9,472	100.0%	$ 8,248	100.0%
Cost of revenue	5,848	61.7%	5,194	63.0%
Gross profit	3,624	38.3%	3,054	37.0%
Operating expenses:				
Sales and marketing	2,456	25.9%	2,699	32.7%
Research and development	416	4.4%	763	9.3%

General and administrative	3,278	34.6%	3,795	46.0%
Transition expenses	363	3.8%	687	8.3%
Acquisition related amortization expense	1,112	11.7%	1,115	13.5%
Total operating expenses	7,625	80.5%	9,059	109.8%
Operating loss	(4,001)	-42.2%	(6,005)	-72.8%
Interest accretion expense	(106)	-1.1%	(138)	-1.7%
Related party interest	(151)	-1.6%	-	0.0%
Other income (expense), net	45	0.5%	(12)	-0.1%
Loss from continuing operations before tax	(4,213)	-44.5%	(6,155)	-74.6%
(Benefit) provision for income taxes	(714)	-7.5%	14	0.2%
Loss from continuing operations	(3,499)	-36.9%	(6,169)	-74.8%
Loss from discontinued operations, net of tax	(62)	-0.7%	(65)	-0.8%
Net loss	$ (3,561)	-37.6%	$ (6,234)	-75.6%

Revenue, net

Consolidated revenue, net for the three months ended September 30, 2021 increased by $1.2 million, or 15%, to $9.5 million, compared to $8.2 million for the three months ended September 30, 2020. The increase in net revenue was driven by increased reimbursement rates and increased clinical services volume as the three months ended September 30, 2020 was impacted by the pandemic. This increase was partially offset by a fairly significant decrease in volume within pharma services. The decrease in revenue within pharma services was approximately 47% from the comparable prior year period.

Cost of revenue

Consolidated cost of revenue for the three months ended September 30, 2021 was $5.8 million, as compared to $5.2 million for the three months ended September 30, 2020. This increase is primarily attributed to the increased volume associated with the clinical services business, partially offset by a decrease in pharma services volume. As a percentage of revenue, cost of revenue was approximately 62% for the three months ended September 30, 2021 and 63% for the three months ended September 30, 2020.

Gross profit

Consolidated gross profit was approximately $3.6 million for the three months ended September 30, 2021 and $3.1 million for the three months ended September 30, 2020. The gross profit percentage was approximately 38% for the three months ended September 30, 3021 and 37% for the three months ended September 30, 2020.

Sales and marketing expense

Sales and marketing expense was approximately $2.5 million for the three months ended September 30, 2021 and $2.7 million for the three months ended September 30, 2020. As a percentage of revenue, sales and marketing expense decreased to 26% from 33% in the comparable prior year period due to the higher revenue for the three months ended September 30, 2021 with no comparable increase in expenses.

Research and development

Research and development expense was $0.4 million for the three months ended September 30, 2021 and $0.8 million for the three months ended September 30, 2020 due to lower professional services costs in the quarter. As a percentage of revenue, research and development expense decreased to 4% from 9% in the comparable prior year period.

General and administrative

General and administrative expense was approximately $3.3 million for the three months ended September 30, 2021 and $3.8 million for the three months ended September 30, 2020. The decrease can be primarily attributed to the closing of the Rutherford, NJ office as well as employee and consulting costs associated with the closure.

Transition expense

Transition expense was approximately $0.4 million for the three months ended September 30, 2021 and $0.7 million for the three months ended September 30, 2020. These expenses are primarily related to the Rutherford, NJ lab closing and subsequent move to North Carolina, as well as other cost-saving initiatives, primarily reductions in headcount.

Acquisition amortization expense

During the three months ended September 30, 2021 and September 30, 2020, we recorded amortization expense of approximately $1.1 million, respectively in both periods, which is related to intangible assets associated with prior acquisitions.

Operating loss

Operating loss from continuing operations was $4.0 million for the three months ended September 30, 2021 as compared to $6.0 million for the three months ended September 30, 2020. The lower operating loss was primarily attributable to the increase in gross profit and lower operating expenses discussed above.

(Benefit) provision for income taxes

The income tax benefit was approximately $0.7 million for the three months ended September 30, 2021 which primarily pertained to the Company's sale of NOLs of approximately $0.7 million under the State of New Jersey's Technology Business Tax Certificate Transfer Program. Income tax expense of $14,000 for the three months ended September 30, 2020 was primarily driven by minimum state and local taxes.

Loss from discontinued operations, net of tax

We had a loss from discontinued operations of approximately $0.1 million for the three months ended September 30, 2021 and a loss from discontinued operations of approximately $0.1 million for the three months ended September 30, 2020. In both periods, the loss represents income tax expense associated with our discontinued operations.

Condensed Consolidated Results of Continuing Operations for the Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020 (unaudited, in thousands)

	Nine Months Ended September 30,			
	2021	2021	2020	2020
Revenue, net	$ 30,461	100.0%	$ 22,752	100.0%
Cost of revenue	16,965	55.7%	15,156	66.6%
Gross profit	13,496	44.3%	7,596	33.4%
Operating expenses:				
Sales and marketing	7,585	24.9%	6,776	29.8%
Research and development	1,475	4.8%	2,123	9.3%
General and administrative	9,582	31.5%	12,683	55.8%
Transition expenses	2,474	8.1%	798	3.5%
Gain on DiamiR transaction	(235)	-0.8%	-	0.0%
Acquisition related amortization expense	3,336	11.0%	3,346	14.7%
Total operating expenses	24,217	79.5%	25,726	113.1%
Operating loss	(10,721)	-35.2%	(18,130)	-79.7%
Interest accretion expense	(375)	-1.2%	(414)	-1.8%
Related party interest	(372)	-1.2%	-	0.0%
Other (expense) income, net	(255)	-0.8%	473	2.1%
Loss from continuing operations before tax	(11,723)	-38.5%	(18,071)	-79.4%
(Benefit) provision for income taxes	(684)	-2.2%	43	0.2%
Loss from continuing operations	(11,039)	-36.2%	(18,114)	-79.6%
Loss from discontinued operations, net of tax	(175)	-0.6%	(194)	-0.9%
Net loss	$ (11,214)	-36.8%	$ (18,308)	-80.5%

Revenue, net

Consolidated revenue, net for the nine months ended September 30, 2021 increased by $7.7 million, or 34%, to $30.5 million, compared to $22.8 million for the nine months ended September 30, 2020. The increase in net revenue was driven by increased reimbursement rates and increased clinical services volume as the nine months ended September 30, 2020 was impacted by the pandemic. This increase was partially offset by a fairly significant decrease in volume within pharma services. The decrease in revenue within pharma services was approximately 31% from the comparable prior year period.

Cost of revenue

Consolidated cost of revenue for the nine months ended September 30, 2021 was $17.0 million, as compared to $15.2 million for the nine months ended September 30, 2020. This increase is primarily attributed to the increased volume associated with the clinical services business. As a percentage of revenue, cost of revenue was approximately 56% for the nine months ended September 30, 2021 and 67% for the nine months ended September 30, 2020.

Gross profit

Consolidated gross profit was approximately $13.5 million for the nine months ended September 30, 2021 and $7.6 million for the nine months ended September 30, 2020. The gross profit percentage was approximately 44% for the nine months ended September 30, 2021 and 33% for the nine months ended September 30, 2020. The increase can be attributed to increased reimbursement rates as well as the change in the gross profit mix.

Sales and marketing expense

Sales and marketing expense was approximately $7.6 million for the nine months ended September 30, 2021 and $6.8 million for the nine months ended September 30, 2020. As a percentage of revenue, sales and marketing expense decreased to 25% from 30% in the comparable prior year period due to the higher revenue for the nine months ended September 30, 2021.

Research and development

Research and development expense was $1.5 million for the nine months ended September 30, 2021 and $2.1 million for the nine months ended September 30, 2020 due to lower professional services and employee costs. As a percentage of revenue, research and development expense decreased to 5% from 9% in the comparable prior year period.

General and administrative

General and administrative expense was approximately $9.6 million for the nine months ended September 30, 2021 and $12.7 million for the nine months ended September 30, 2020. The decrease can be primarily attributed to the closing of the Rutherford, NJ office as well as employee and consulting costs associated with the closure.

Transition expense

Transition expense was approximately $2.5 million for the nine months ended September 30, 2021 and $0.8 million for the nine months ended September 30, 2020. These expenses are primarily related to the Rutherford, NJ lab closing and subsequent move to North Carolina, as well as other cost-saving initiatives, primarily reductions in headcount.

Acquisition amortization expense

During the nine months ended September 30, 2021 and September 30, 2020, we recorded amortization expense of approximately $3.3 million, respectively in both periods, which is related to intangible assets associated with prior acquisitions.

Operating loss

Operating loss from continuing operations was $10.7 million for the nine months ended September 30, 2021 as compared to $18.1 million for the nine months ended September 30, 2020. The lower operating loss was primarily attributable to the increase in gross profit discussed above.

(Benefit) provision for income taxes

The income tax benefit was approximately $0.7 million for the nine months ended September 30, 2021 and was related to the sale of NOLs discussed above. Income tax expense of $43,000 for the nine months ended September 30, 2020 was primarily driven by minimum state and local taxes.

Loss from discontinued operations, net of tax

We had a loss from discontinued operations of approximately $0.2 million for the nine months ended September 30, 2021 and a loss from discontinued operations of approximately $0.2 million for the nine months ended September 30, 2020. In both periods, the loss represents income tax expense associated with our discontinued operations.

Non-GAAP Financial Measures

In addition to the United States generally accepted accounting principles, or GAAP, results provided throughout this document, we have provided certain non-GAAP financial measures to help evaluate the results of our performance. We believe that these non-GAAP financial measures, when presented in conjunction with comparable GAAP financial measures, are useful to both management and investors in analyzing our ongoing business and operating performance. We believe that providing the non-GAAP information to investors, in addition to the GAAP presentation, allows investors to view our financial results in the way that management views financial results.

In this 10-Q, we discuss Adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is a metric used by management to measure cash flow of the ongoing business. Adjusted EBITDA is defined as income or loss from continuing operations, plus depreciation and amortization, acquisition related expenses, transition expenses, noncash stock based compensation, interest and taxes, and other non-cash expenses including asset impairment costs, bad debt expense, loss on extinguishment of debt, goodwill impairment and change in fair value of contingent consideration, and warrant liability. The table below includes a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

Reconciliation of Adjusted EBITDA (Unaudited)
($ in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Loss from continuing operations (GAAP Basis)	$ (3,499)	$ (6,169)	$ (11,039)	$ (18,114)
Bad debt (recovery) expense	-	-	(140)	250
Receipt of HHS stimulus grant	-	-	-	(650)
Transition expenses	363	687	2,474	798
Legal and professional services	-	495	-	495
Depreciation and amortization	1,407	1,394	4,350	4,102
Stock-based compensation	477	563	1,314	1,381
Taxes	(714)	14	(684)	43
Financing interest and related costs	174	-	482	-
Interest accretion expense	106	138	375	414
Gain on DiamiR transaction	-	-	(235)	-
Mark to market on warrant liability	(71)	(13)	137	(62)
Change in fair value of contingent consideration	-	-	(57)	-
Adjusted EBITDA	$ (1,757)	$ (2,891)	$ (3,023)	$ (11,343)

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30, 2021, we had an operating loss of $10.7 million. As of September 30, 2021, we had cash and cash equivalents of $3.2 million, net of restricted cash, total current assets of $12.8 million, net of restricted cash and current liabilities of $22.8 million. As of November 5, 2021, we had approximately $2.4 million of cash on hand, net of restricted cash.

During the nine months ended September 30, 2021, net cash used in operating activities was $7.5 million. The main component of cash used in operating activities was our net loss of $11.2 million which was partially offset by non-cash expenses of $6.2 million. During the nine months ended September 30, 2020, net cash used in operating activities was $12.4 million. The main component of cash used in operating activities was our net loss of $18.3 million which was partially offset by non-cash expenses of $4.9 million.

During the nine months ended September 30, 2021, net cash used in investing activities was $0.2 million. For the nine months ended September 30, 2020, cash used in investing activities was $1.3 million, primarily related to capital expenditures associated with the moving of our Rutherford, New Jersey lab to North Carolina.

For the nine months ended September 30, 2021, cash provided from financing activities was $7.7 million, of which $7.4 million were the net proceeds from the Company's secured promissory notes with Ampersand and 1315. See Note 14, *Notes Payable - Related Parties* of the notes to the financial statements. For the nine months ended September 30, 2020, cash provided from financing activities was $16.7 million, $19.2 million which resulted from the issuance of preferred stock in January 2020 and $0.4 million from sales of Common Stock, partially offset by the repayment of $3.0 million of borrowed funds under our Revolver.

In September 2020, we repaid approximately $3.4 million to SVB under our former secured revolving line of credit facility (the "Revolver"), which was part of our Loan and Security Agreement with SVB dated November 13, 2018, as amended March 18, 2019 (as so amended, the "SVB Loan Agreement"). On January 5, 2021, the Company terminated the SVB Loan Agreement.

On January 7, 2021, the Company entered into secured promissory notes in the amount of $3 million and $2 million with Ampersand and 1315 Capital, respectively. See Note 14, *Notes Payable – Related Parties* of the notes to the financial statements. On May 10, 2021, the Company amended the Ampersand Note to increase the principal amount to $4.5 million and amended the 1315 Capital Note to increase the principal amount to $3.0 million. The maturity dates of the Notes were the earlier of (a) June 30, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Notes. On June 24, 2021, the Company and Ampersand

amended the Ampersand Note to change its maturity date to the earlier of (a) August 31, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Ampersand Note. On June 25, 2021, the Company and 1315 Capital amended the 1315 Capital Note to change its maturity date in a similar manner. On August 31, 2021, the Company and Ampersand amended the Ampersand Note to change its maturity date to the earlier of (a) September 30, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Ampersand Note. On August 31, 2021, the Company and 1315 Capital amended the 1315 Capital Note to change its maturity date in a similar manner.

On September 29, 2021, the Company and Ampersand amended the Ampersand Note to change its maturity date to the earlier of (a) October 31, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Ampersand Note. On September 29, 2021, the Company and 1315 Capital amended the 1315 Capital Note to change its maturity date in a similar manner.

In January 2020, we sold 20,000 preferred shares to investors, led by 1315 Capital, for net proceeds of approximately $19.2 million; see Note 16*Equity* of the notes to the financial statements for more detail.

See Note 1, *Overview*, of the notes to the financial statements, regarding the potential adverse impact of the COVID-19 pandemic on our results of operations, cash flows and financial condition for fiscal 2021 and possibly beyond.

During Fiscal 2020, the Company applied for various federal stimulus grants and advances made available under Title 1 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "CARES Act") and received $2.1 million in advances under the Centers for Medicare & Medicaid Services ("CMS") accelerated and advance payment program. As of September 30, 2021 the entire advance had been repaid.

The Company has and may continue to delay, scale-back, or eliminate certain of its activities and other aspects of its operations until such time as the Company is successful in securing additional funding. The Company is exploring various dilutive and non-dilutive sources of funding, including equity and debt financings, strategic alliances, business development and other sources. The future success of the Company is dependent upon its ability to obtain additional funding. However, the quotation of our common stock on OTCQX may provide significantly less liquidity than when our stock was listed on Nasdaq and we may experience greater difficulty in raising capital through the public or private sale of equity securities. In addition, our inability to use Form S-3 for offerings by the Company may negatively impact our ability to raise additional capital. There can be no assurance therefore that the Company will be successful in obtaining such funding in sufficient amounts, on terms acceptable to the Company, or at all.

In October 2021, the Company entered into a $7.5 million revolving credit facility with Comerica. In addition, also in October 2021, the Company entered into the $8.0 million BroadOak Term Loan, the proceeds of which were used to repay in full at their maturity the notes extended by Ampersand and 1315 Capital. See Note 20, *Subsequent Events* for more details. As of the date of this Report, the Company currently anticipates that current cash and cash equivalents will be sufficient to meet its anticipated operating cash requirements through the end of fiscal 2022.

In October 2021, the Company entered into the Comerica Loan Agreement and the BroadOak Loan and repaid the promissory notes. See Note 20,*Subsequent Events* for more details.

We will not generate positive cash flows from operations for the year ending December 31, 2021. We intend to meet our ongoing capital needs by using our available cash and the Comerica Loan Agreement, as well as revenue growth and margin improvement; collection of accounts receivable; containment of costs; and the potential use of other financing options.

Inflation

We do not believe that inflation had a significant impact on our results of operations for the periods presented. On an ongoing basis, we attempt to minimize any effects of inflation on our operating results by controlling operating costs and whenever possible, seeking to ensure that billing rates reflect increases in costs due to inflation.

Off-Balance Sheet Arrangements

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives including that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In addition, management is required to apply its judgment in evaluating the benefits of possible disclosure controls and procedures relative to their costs to implement and maintain.

Based on the evaluation of the Company's disclosure controls and procedures, as that term is defined in Rule 13a-15(e) under the Exchange Act the Chief Executive Officer of the Company and the Chief Financial Officer of the Company have concluded that the Company's disclosure controls and procedures were effective as of September 30, 2021.

Reference should be made to our Form 10-K filed with the SEC on April 1, 2021 for additional information regarding discussion of the effectiveness of the Company's controls and procedures.

Changes in Internal Controls

During the third quarter ended September 30, 2021 management believes that it has completed its remediation plan to address the material weakness that existed at the end of 2020 and through the first and second quarters of 2021. Other than the completion of this remediation plan, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Not applicable as we are a smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
10.1	Third Amendment to Secured Promissory Note dated August 31, 2021 with Ampersand 2018 Limited Partnership, incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed with the SEC on August 31, 2021.
10.2	Third Amendment to Secured Promissory Note dated August 31, 2021 with 1315 Capital II, L.P., incorporated by reference to Exhibit 99.2 of the Company's Current Report on Form 8-K, filed with the SEC on August 31, 2021.
10.3	Fourth Amendment to Secured Promissory Note dated September 29, 2021 with Ampersand 2018 Limited Partnership, incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K, filed with the SEC on October 1, 2021.
10.4	Fourth Amendment to Secured Promissory Note dated September 29, 2021 with 1315 Capital II, L.P., incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed with the SEC on October 1, 2021.
10.5	Loan and Security Agreement by and between Comerica Bank, Interpace Biosciences, Inc., Interpace Diagnostics Corporation, Interpace Diagnostics, LLC and Interpace Pharma Solutions, Inc., dated October 13, 2021, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the SEC on October 19, 2021.
10.6	Subordination Agreement by and between Ampersand 2018 Limited Partnership, 1315 Capital II. L.P., Comerica Bank Interpace Biosciences, Inc., Interpace Diagnostics Corporation, Interpace Diagnostics, LLC and Interpace Pharma Solutions, Inc., dated October 13, 2021, incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed with the SEC on October 19, 2021.
10.7	Loan and Security Agreement by and between BroadOak Fund V, L.P., Interpace Biosciences, Inc., Interpace Diagnostics Corporation, Interpace Diagnostics, LLC and Interpace Pharma Solutions, Inc., dated October 29, 2021, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the SEC on November 3, 2021.
10.8	First Amendment to Loan and Security Agreement by and between Comerica Bank, Interpace Biosciences, Inc., Interpace Diagnostics Corporation, Interpace Diagnostics, LLC and Interpace Pharma Solutions, Inc., dated November 1, 2021, incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed with the SEC on November 3, 2021.
10.9	Subordination and Intercreditor Agreement by and between Comerica Bank, BroadOak Fund V, L.P., Interpace Biosciences, Inc., Interpace Diagnostics Corporation, Interpace Diagnostics, LLC and Interpace Pharma Solutions, Inc., dated as of November 1, 2021, incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, filed with the SEC on November 3, 2021.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1+	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
32.2+	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
101	The following financial information from this Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021 formatted in iXBRL (Inline eXtensible Business Reporting Language) and furnished electronically herewith: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Stockholders' Equity; (iv) the Condensed Consolidated Statements of Cash Flows; and (v) the Notes to Condensed Consolidated Financial Statements.
104	The cover page of Interpace Biosciences, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, formatted in iXBRL (included within Exhibit 101 attachments).

+ Exhibits 32.1 and 32.2 are being furnished herewith and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference to any registration statement or other document filed under the Securities Act or the Exchange Act, except as otherwise stated in any such filing.

* Denotes compensatory plan, compensation arrangement or management contract.

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.

Date: November 10, 2021

Interpace Biosciences, Inc.
(Registrant)

/s/ Thomas W. Burnell
Thomas W. Burnell
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 10, 2021

/s/ Thomas Freeburg
Thomas Freeburg
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas W. Burnell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 of Interpace Biosciences, Inc. (the "registrant");

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 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 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 10, 2021

/s/ Thomas W. Burnell
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas Freeburg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 of Interpace Biosciences, Inc. (the "registrant");

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 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 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 10, 2021

/s/ Thomas Freeburg
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Interpace Biosciences, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas W. Burnell, as Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1)The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2021

/s/ Thomas W. Burnell
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Interpace Biosciences, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas Freeburg, as Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2021

/s/ Thomas Freeburg
Chief Financial Officer
(Principal Financial Officer)