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, 2026

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.)

Waterview Plaza, Suite 310, 2001 Route 46, 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 6, 2026**
Common Stock, par value $0.01 per share	5,901,964

INTERPACE BIOSCIENCES, INC.
FORM 10-Q FOR PERIOD ENDED SEPTEMBER 30, 2026
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PART I. FINANCIAL INFORMATION

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

	September 30, 2026 (unaudited)	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,929	$ 2,505
Accounts receivable	7,599	5,649
Other current assets	2,758	1,746
Total current assets	13,286	9,900
Property and equipment, net	1,453	1,423
Operating lease right of use assets	888	1,217
Deferred tax asset	21,797	21,254
Other long-term assets	44	44
Total assets	$ 37,468	$ 33,838
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,417	$ 983
Accrued salary and bonus	2,393	1,886
Other accrued expenses	1,968	1,574
Current liabilities of discontinued operations	660	660
Total current liabilities	6,438	5,103
Operating lease liabilities, net of current portion	392	752
Other long-term liabilities	5,947	5,620
Total liabilities	12,777	11,475
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Redeemable preferred stock, $.01 par value; 5,000,000 shares authorized, 0 and 47,000 shares Series C issued and outstanding, respectively	-	-
Common stock, $.01 par value; 200,000,000 and 100,000,000 shares authorized, respectively; 6,047,126 and 913,867 shares issued, respectively; 5,901,964 and 885,708 shares outstanding, respectively	644	407
Additional paid-in capital	238,597	234,833
Accumulated deficit	(211,536)	(210,805)
Treasury stock, at cost (145,162 and 28,159 shares, respectively)	(3,014)	(2,072)
Total stockholders' equity	24,691	22,363
Total liabilities and stockholders' equity	$ 37,468	$ 33,838

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)

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue, net	$ 10,373	$ 8,756	$ 28,537	$ 29,504
Cost of revenue	3,193	3,317	9,799	11,418
Gross profit	7,180	5,439	18,738	18,086
Operating expenses:				
Sales and marketing	2,704	2,087	7,088	7,811
Research and development	160	150	461	500
General and administrative	6,716	2,057	12,143	7,268
Total operating expenses	9,580	4,294	19,692	15,579
Operating (loss) income from continuing operations	(2,400)	1,145	(954)	2,507
Note payable interest	-	(30)	-	(156)
Other income (expense), net	15	(115)	33	(112)
(Loss) income from continuing operations before tax	(2,385)	1,000	(921)	2,239
(Benefit) provision for income taxes	(884)	(11)	(517)	7
(Loss) income from continuing operations	(1,501)	1,011	(404)	2,232
Loss from discontinued operations, net of tax	(109)	(100)	(327)	(314)
Net (loss) income	$ (1,610)	$ 911	$ (731)	$ 1,918
Basic income (loss) per share of common stock:				
From continuing operations	$ (0.26)	$ 1.14	$ (0.08)	$ 2.52
From discontinued operations	(0.02)	(0.11)	(0.06)	(0.35)
Net income (loss) per basic share of common stock	$ (0.28)	$ 1.03	$ (0.14)	$ 2.17
Diluted income (loss) per share of common stock:				
From continuing operations	$ (0.26)	$ 0.18	$ (0.08)	$ 0.40
From discontinued operations	(0.02)	(0.02)	(0.06)	(0.06)
Net income (loss) per diluted share of common stock	$ (0.28)	$ 0.16	$ (0.14)	$ 0.35
Weighted average number of common shares and common share equivalents outstanding:				
Basic	5,705	885	5,210	885
Diluted	5,705	5,539	5,210	5,539

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

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

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Total
Balance -December 31, 2024	47,000	$ -	907,933	$ 406	26,068	$ (2,054)	$ 234,811	$ (235,380)	$ (2,217)
Issuance of common stock	-	-	4,267	1	-	-	-	-	1
Treasury stock purchased	-	-	-	-	1,513	(15)	-	-	(15)
Series C issuance costs	-	-	-	-	-	-	(13)	-	(13)
Stock-based compensation expense	-	-	-	-	-	-	15	-	15
Net income	-	-	-	-	-	-	-	1,647	1,647
Balance -March 31, 2025	47,000	$ -	912,200	$ 407	27,581	$ (2,069)	$ 234,813	$ (233,733)	$ (582)
Stock-based compensation expense	-	-	-	-	-	-	9	-	9
Net loss	-	-	-	-	-	-	-	(640)	(640)
Balance -June 30, 2025	47,000	$ -	912,200	$ 407	27,581	$ (2,069)	$ 234,822	$ (234,373)	$ (1,213)
Stock-based compensation expense	-	-	-	-	-	-	7	-	7
Issuance of common stock	-	-	1,667	-	-	-	-	-	-
Treasury stock purchased	-	-	-	-	578	(3)	-	-	(3)
Net income	-	-	-	-	-	-	-	911	911
Balance -September 30, 2025	47,000	$ -	913,867	$ 407	28,159	$ (2,072)	$ 234,829	$ (233,462)	$ (298)
Balance -December 31, 2025	47,000	$ -	913,867	$ 407	28,159	$ (2,072)	$ 234,833	$ (210,805)	$ 22,363
Issuance of common stock	-	-	1,667	-	-	-	-	-	-
Treasury stock purchased	-	-	-	-	659	(6)	-	-	(6)
Series C conversion into common stock	(47,000)	-	4,653,467	233	-	-	(233)	-	-
Stock-based compensation expense	-	-	-	-	-	-	4	-	4
Net income	-	-	-	-	-	-	-	721	721
Balance -March 31, 2026	-	-	5,569,001	640	28,818	(2,078)	234,604	(210,084)	23,082
Stock-based compensation expense	-	-	-	-	-	-	4	-	4
Net income	-	-	-	-	-	-	-	158	158
Balance -June 30, 2026	-	$ -	5,569,001	$ 640	28,818	$ (2,078)	$ 234,608	$ (209,926)	$ 23,244
Stock-based compensation expense	-	-	-	-	-	-	3,993	-	3,993
Issuance of common stock	-	-	478,125	4	-	-	(4)	-	-
Treasury stock purchased	-	-	-	-	116,344	(936)	-	-	(936)
Net loss	-	-	-	-	-	-	-	(1,610)	(1,610)
Balance -September 30, 2026	-	$ -	6,047,126	$ 644	145,162	$ (3,014)	$ 238,597	$ (211,536)	$ 24,691

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,	
	2026	**2025**
Cash Flows From Operating Activities		
Net (loss) income	$ (731)	$ 1,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	386	307
Amortization of deferred financing fees	-	42
Stock-based compensation	4,001	31
Deferred taxes	(543)	-
Asset impairment - lab supplies	-	198
Lab supplies write-off	217	-
Loss on sale of asset	104	-
Change in fair value of note payable	-	87
Amortization on operating lease right of use asset	329	293
Other changes in operating assets and liabilities:		
Accounts receivable	(1,950)	2,578
Other current assets	(869)	(213)
Accounts payable	481	(417)
Accrued salary and bonus	507	(777)
Other accrued expenses	(508)	(385)
Operating lease liabilities	(400)	(283)
Other long-term liabilities	327	314
Net cash provided by operating activities	1,351	3,693
Cash Flows From Investing Activities		
Purchase of property and equipment	(574)	(318)
Sale of property and equipment	7	-
Net cash used in investing activities	(567)	(318)
Cash Flows From Financing Activities		
Payments made on note payable	-	(3,400)
Payment of deferred offering costs	(360)	-
Series C conversion costs	-	(13)
Net cash used in financing activities	(360)	(3,413)
Net increase (decrease) in cash and cash equivalents	424	(38)
Cash and cash equivalents – beginning	2,505	1,461
Cash and cash equivalents – ending	$ 2,929	$ 1,423

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") is a company that provides esoteric molecular diagnostic testing and pathology services to aid physicians in their evaluation of cancer risk in patients with indeterminate biopsies and a perceived high risk of cancer from clinical features. The Company develops and commercializes genomic tests and related first-line assays that can personalize medicine to help improve patient diagnosis and management.

Reverse stock split

On August 27, 2026, the Company effected a one-for-five reverse split of its issued and outstanding shares of Common Stock. All share and per share amounts in prior periods have been retroactively adjusted to reflect the reverse stock split.

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, 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, 2025, as filed with the Securities & Exchange Commission ("SEC") on March 30, 2026 and as amended on April 30, 2026.

The 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 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.; its Commercial Services business unit, which was sold on December 22, 2015 and its Interpace Pharma Solutions business which was sold on August 31, 2022. All significant intercompany balances and transactions have been eliminated in consolidation. Operating results for the three and nine-month periods ended September 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2026.

3. LIQUIDITY

For the nine months ended September 30, 2026, the Company had an operating loss from continuing operations of $1.0 million. As of September 30, 2026, the Company had cash and cash equivalents of $2.9 million, total current assets of $13.3 million and current liabilities of $6.4 million. As of November 6, 2026, the Company had approximately $3.4 million of cash and cash equivalents.

The Company intends to meet its ongoing capital needs by using its available cash, as well as through targeted margin improvement; collection of accounts receivable; containment of costs; and the potential use of other financing options and other strategic alternatives.

The Company continues to explore various strategic alternatives, dilutive and non-dilutive sources of funding, including equity and debt financings, strategic alliances, business development and other sources in order to provide additional liquidity. With the delisting of its common stock, par value $0.01 per share ("Common Stock"), from Nasdaq in February 2021, the Company's ability to raise additional capital on terms acceptable to it has been adversely impacted. There can be no assurance that the Company will be successful in obtaining such funding on terms acceptable to it. The Company is seeking to uplist its Common Stock to Nasdaq. The timing of the uplist is uncertain and there can be no assurance that the uplist will be completed.

The Company anticipates that current cash and cash equivalents and forecasted cash receipts will be sufficient to meet its anticipated cash requirements through the next twelve months from the date of the filing of this report.

4. DISCONTINUED OPERATIONS

Liabilities classified as discontinued operations as of both September 30, 2026 and December 31, 2025 consist of accrued expenses which are liabilities related to the former Commercial Services business unit.

The table below presents the significant components of its former discontinued operations 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, 2026 and 2025.

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Income tax expense	109	100	327	314
Loss from discontinued operations, net of tax	$ (109)	$ (100)	$ (327)	$ (314)

There was no cash flow activity from discontinued operations for the nine months ended September 30, 2026 or September 30, 2025. There was no depreciation and amortization expense for the three or nine months ended September 30, 2026 and September 30, 2025, respectively, in discontinued operations.

5. 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, allowances for credit losses, revenue recognition, and unrecognized tax benefits. 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

The Company derives its revenues from the performance of 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, 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, 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 Company regularly reviews the ultimate amounts received from the third-party and direct-bill payers and related estimated reimbursement rates and adjusts the net realizable values ("NRVs") and related contractual allowances accordingly. If actual collections and related NRVs vary significantly from its estimates, the Company will adjust the estimates of contractual allowances, which affects net revenue in the period such variances become known.

Financing and Payment

For non-Medicare claims, the Company's payment terms vary by payer category. Payment terms for direct-payers in our clinical services are typically thirty 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. The Company bills 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 receivable represent unconditional rights to consideration and are generated using its clinical 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.

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. The Company uses the implicit interest rate in the lease when readily determinable.

The 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 the Company 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 6, *Leases*.

Other Current Assets

Other current assets consisted of the following as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Lab supplies	$ 1,271	$ 1,114
Prepaid expenses	583	632
Deferred offering costs*	882	-
Other	22	-
Total other current assets	$ 2,758	$ 1,746

* Costs related to the preparation of the Company's S-1 filed in September 2026.

Basic and Diluted Net Income (Loss) per Share

On August 27, 2026, the Company effected a one-for-five reverse split of the issued and outstanding shares of its Common Stock. At the effective time of the reverse split, every 5 shares of Common Stock issued and outstanding were automatically combined into one share of issued and outstanding Common Stock, without any change in the par value per share. All historical share amounts have been adjusted to reflect the split.

A reconciliation of the number of shares of Common Stock used in the calculation of basic and diluted income (loss) per share for the three- and nine-month periods ended September 30, 2026 and 2025 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic weighted average number of common shares	5,705	885	5,210	885
Potential dilutive effect of stock-based awards	-	1	-	1
Dilutive effect of preferred stock	-	4,653	-	4,653
Diluted weighted average number of common shares	5,705	5,539	5,210	5,539

For the three- and nine-month periods ended September 30, 2026 and 2025, the following outstanding stock-based awards were excluded from the computation of the effect of dilutive securities on income (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,	
	2026	2025	2026	2025
Options	368	49	368	49
Restricted stock units (RSUs)	140	27	140	27
	508	76	508	76

Accounting Pronouncements Pending

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures". ASU 2024-03 will require disclosure of specific cost and expense information in the notes to the financial statements. Disclosure shall include inventory purchases, employee compensation, depreciation and intangible asset amortization presented in the face of the income statement for continuing operations. It shall also include certain amounts already disclosed under GAAP in the same disclosure as other disaggregation requirements as well as disclose a qualitative description and the amount of selling expenses. ASU 2024-03 will be effective for the Company in annual periods beginning after December 15, 2026. The Company continues to assess the impact of the amendment.

6. LEASES

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

	Classification on the Balance Sheet	September 30, 2026	December 31, 2025
Assets			
Operating lease assets	Operating lease right of use assets	888	1,217
Total lease assets		$ 888	$ 1,217
Liabilities			
Current			
Operating lease liabilities	Other accrued expenses	472	431
Total current lease liabilities		$ 472	$ 431
Noncurrent			
Operating lease liabilities	Operating lease liabilities, net of current portion	392	752
Total long-term lease liabilities		392	752
Total lease liabilities		$ 864	$ 1,183

The weighted average remaining lease term for the Company's operating lease was 1.75 years as of September 30, 2026 and the weighted average discount rate for that lease was 12.0%. Total operating lease expense from continuing operations under these agreements for the three months ended September 30, 2026 and 2025 was approximately $0.1 million, and for both the nine months ended September 30, 2026 and 2025 was approximately $0.4 million. Total cash paid under these agreements for the nine months ended September 30, 2026 and 2025 was approximately $0.4 million. 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, 2026:

	Operating Leases
2026 - remaining three months	137
2027	550
2028	275
Total minimum lease payments	962
Less: amount of lease payments representing effects of discounting	98
Present value of future minimum lease payments	864
Less: current obligations under leases	472
Long-term lease obligations	$ 392

7. 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 no pending litigation against 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.

8. OTHER ACCRUED EXPENSES

Other accrued expenses consisted of the following as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Operating lease liability	$ 472	$ 431
Accrued sales and marketing	60	32
Accrued lab costs	36	50
Accrued professional fees	791	390
Taxes payable	248	296
All others	361	375
Total other accrued expenses	$ 1,968	$ 1,574

9. 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 four-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 one to four-year graded vesting period and are subject to accelerated vesting and forfeiture under certain circumstances. For the nine months ended September 30, 2026, the Company has issued 318,554 stock options and 614,957 RSUs.

The following table provides the weighted average assumptions used in determining the fair value of the stock option awards granted during the nine-month period ended September 30, 2026. The exercise price for these options is $10.10.

	September 30, 2026
Risk-free interest rate	4.64%
Expected life	6.25 years
Expected volatility	145.67%
Dividend yield	-

There were no stock option awards issued during the nine months ended September 30, 2025.

The grant date fair value for the RSUs that were issued was $8.05.

The Company recognized approximately $4.0 million and $7,000 of stock-based compensation expense within continuing operations during the three-month periods ended September 30, 2026 and 2025, respectively, and approximately $4.0 million and $31,000 for the nine-month periods ended September 30, 2026 and 2025, respectively. Of that $4.0 million, $3.8 million was related to RSUs that vested immediately upon the date of grant. The following table has a breakout of stock-based compensation expense from continuing operations by line item.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of revenue	$ 4	$ -	$ 4	$ -
Sales and marketing	267	6	276	21
General and administrative	3,722	1	3,721	10
Total stock compensation expense	$ 3,993	$ 7	$ 4,001	$ 31

10. INCOME TAXES

The following table summarizes income tax expense on income from continuing operations and the effective tax rate for the three- and nine-month periods ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
(Benefit) provision for income tax	$ (884)	$ (11)	$ (517)	$ 7
Effective income tax rate	37.1%	(1.1%)	56.1%	0.3%

The income tax benefit for the three and nine-months ended September 30, 2026 was primarily due to the Company's net loss for the nine months ended September 30, 2026 and the increase in its deferred tax assets. The income tax benefit for the three months ended September 30, 2025, was due to a reversal of federal income tax expense. Income tax expense for the nine months ended September 30, 2025 was primarily due to state income taxes.

Other long-term liabilities consisted of uncertain tax positions as of September 30, 2026 and December 31, 2025.

11. SEGMENT INFORMATION

The Company operates and manages its business as a single reporting segment. The business provides esoteric molecular diagnostic testing, and pathology services to aid physicians in their evaluation of cancer risk in patients with indeterminate biopsies and a perceived high risk of cancer from clinical features. The Company develops and commercializes genomic tests and related first-line assays that can personalize medicine to help improve patient diagnosis and management. The Company's chief operating decision maker ("CODM") is the chief executive officer.

The CODM assesses performance for the segment and decides how to allocate resources based on consolidated net income that is also reported on the condensed consolidated statements of operations. The monitoring of budgeted versus actual results is used in assessing performance of the segment and in establishing resource allocation across the organization.

The measure of segment assets is reported on the condensed consolidated balance sheet as total consolidated assets. All the Company's long-lived assets are located in the United States. The accounting policies of the segment are the same as those described in Note 1, Nature of Business and Significant Accounting Policies included in our Annual Report on Form 10-K.

The following table presents reportable segment profit and loss, including significant expense categories, attributable to the Company's reportable segment for the periods presented:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue, net:	$ 10,373	$ 8,756	$ 28,537	$ 29,504
Less:				
Cost of revenue:				
Fixed	1,754	1,736	5,220	5,120
Variable	1,439	1,581	4,579	6,298
Operating and other expenses:				
Sales and marketing	2,704	2,087	7,088	7,811
Research and development	160	150	461	500
General and administrative	6,716	2,057	12,143	7,268
Interest & other expense, net	(15)	145	(33)	268
(Benefit) provision for income taxes	(884)	(11)	(517)	7
Segment net (loss) income	(1,501)	1,011	(404)	2,232
Reconciliation of profit or loss:				
Loss on discontinued operations	(109)	(100)	(327)	(314)
Consolidated net (loss) income	$ (1,610)	$ 911	$ (731)	$ 1,918

Adjusted EBITDA, a non-GAAP financial measure, is a metric used by the CODM to measure cash flow of the ongoing business. Adjusted EBITDA is defined as income or loss from continuing operations, plus depreciation and amortization, non-cash stock-based compensation, non-recurring legal expenses, severance expense, asset impairment, interest and taxes, and other non-cash expenses including change in fair value of notes payable. The legal expenses included are related to NASDAQ uplist costs, special proxy and charter work, and an employment dispute. The table below includes a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
(Loss) income from continuing operations (GAAP Basis)	$ (1,501)	$ 1,011	$ (404)	$ 2,232
Depreciation and amortization	141	111	386	307
Stock-based compensation	3,993	7	4,001	31
Non-recurring legal expenses	234	-	614	-
Severance & related expense	-	-	-	692
Asset impairment - lab supplies	-	-	-	198
Loss on sale of asset	104	-	104	-
Lab supplies write-off	-	-	217	-
Taxes (benefit) expense	(884)	(11)	(517)	7
Note payable interest	-	30	-	156
Other income/expense, net	(15)	10	(33)	25
Change in fair value of note payable	-	105	-	87
Adjusted EBITDA	$ 2,072	$ 1,263	$ 4,368	$ 3,735

12. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental Disclosures of Non-Cash Activities
(in thousands)

	Nine Months Ended September 30,	
	2026	2025
Taxes accrued for repurchase of restricted shares	$ 942	$ 18
Purchase of property and equipment included in accounts payable	84	169

13. EQUITY

On October 10, 2024, the Company, Ampersand 2018 Limited Partnership ("Ampersand") and 1315 Capital II, L.P. ("1315 Capital", and together with Ampersand, the "Investors") entered into an Exchange Agreement (the "Exchange Agreement") pursuant to which the Investors exchanged (the "Exchange") an aggregate of 47,000 shares of the Company's Series B Preferred Stock, comprised of 28,000 shares of Series B Preferred Stock held by Ampersand and 19,000 shares of Series B Preferred Stock held by 1315 Capital, which represented all of the Company's issued and outstanding Series B Preferred Stock, for 47,000 newly created shares of Series C Preferred Stock, at an issuance price per share of $1,000. In the Exchange, Ampersand received 28,000 shares of Series C Preferred Stock and 1315 Capital received 19,000 shares of Series C Preferred Stock. The Company recorded approximately $0.2 million in issuance costs related to this transaction.

On January 20, 2026, the Company announced that all shares of Series C Preferred Stock were converted into Common Stock, resulting in the issuance of 4,653,467 shares of Common Stock (calculated as $1,000 stated value per preferred share divided by the $10.10 conversion price).

Of this amount, 1315 Capital owns 1,881,189 shares of Common Stock, or approximately 32% of Interpace's outstanding Common Stock, and Ampersand owns 2,772,278 shares of Common Stock, or approximately 47% of Interpace's outstanding Common Stock, in both cases subject to change in connection with subsequent issuance activity and public float changes.

On August 20, 2026 the Company's shareholders approved an increase in the authorized shares of the Company from 100 million to 200 million.

14. RESTRUCTURING EXPENSES

As a result of the established non-coverage for PancraGEN®, the Company announced in the first quarter of 2025 that its board of directors had approved a restructuring and cost-savings plan to reduce operating costs and better align its workforce with the loss of PancraGEN®. In connection with this plan, the Company has incurred $0.7 million in restructuring expenses for the nine months ended September 30, 2025, all of which were severance and related costs. The expenses were paid in the quarter that they were incurred, and the Company had no restructuring liability accrued for as of September 30, 2025. For the three months ended September 30, 2025, the Company did not record any severance costs. For the nine months ended September 30, 2025, the Company recorded $0.5 million in severance costs that were charged to sales and marketing and $0.2 million that were charged to general and administrative expenses in the Company's condensed consolidated statement of operations. The Company has not recorded any restructuring expenses for the nine months ended September 30, 2026.

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 of 1933, as amended (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:

- our expectations of future revenues, expenditures, capital or other funding requirements;
- our reliance on Medicare reimbursement for our clinical services and our being able to successfully restructure ourselves and maintain profitability as a result of the decision of the Center for Medicare and Medicaid Services ("CMS") to cease reimbursement coverage of our PancraGEN® test on April 24, 2025 which resulted in specimens for first-line fluid chemistry and PancraGEN® testing not being accepted by the Company after May 2, 2025;
- our dependence on sales and reimbursements from our clinical services for all of our revenue;
- our reliance on sales of our molecular diagnostic tests for thyroid cancer, ThyGeNEXT® and ThyraMIR®v2, following the loss of reimbursement for and resulting discontinuance of PancraGEN®, our pancreatic cancer test;
- our ability to continue to generate sufficient revenue from our clinical service products 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 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, and develop and commercialize new molecular clinical service solutions and technologies;
- our dependence on third parties for the supply of some of the materials used in our clinical 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 being subject to the controlling interests of our two private equity investors who control an aggregate of 79% of our outstanding shares of Common Stock and this concentration of ownership may have a substantial influence on our decisions;

- the delisting of our Common Stock from Nasdaq, the removal of our Common Stock from trading on the OTCQX on August 18, 2025 and the subsequent trading of our Common Stock on the OTCID have adversely affected and may continue to adversely affect our Common Stock and business and financial condition;

- our ability to successfully complete the proposed uplisting of our Common Stock to Nasdaq, including satisfying applicable listing requirements, and the possibility that such uplisting may not be completed;

- our ability to obtain clinical evidence demonstrating to both customers and payers our molecular diagnostic test's clinical relevance and value;

- our ability to implement our business strategy; and

- the potential impact of future contingent liabilities on our financial condition.

Please see Part I – Item 1A – "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the SEC on March 30, 2026, and as amended on April 30, 2026, 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 a company that provides esoteric molecular diagnostic testing and pathology services to aid physicians in their evaluation of cancer risk in patients with indeterminate biopsies and a perceived risk of cancer from clinical features. We develop and commercialize genomic tests that can personalize medicine to help improve patient diagnosis and management. Due to the decision of CMS to cease reimbursement coverage of our PancraGEN® test for assessing the risk of pancreatic cyst progression to cancer on April 24, 2025 which resulted in specimens for first-line fluid chemistry and PancraGEN® testing not being accepted by the Company after May 2, 2025, we are currently concentrating our efforts on our molecular diagnostic tests for thyroid cancer, ThyGeNEXT® and ThyraMIR®v2.

Our clinical services' customers consist primarily of physicians, hospitals, cancer centers, commercial laboratories, pathology groups and clinics. Our largest customer in the nine months ended September 30, 2025 and 2026 for ThyGeNEXT® and ThyraMIR®v2 was Laboratory Corporation of America® or LabCorp. Our revenue channels include reimbursement by Medicare, Medicare Advantage, Medicaid and direct client billings (for example, hospitals and clinics), and commercial payers such as Blue Cross® Blue Shield®, Aetna®, Cigna®, United Healthcare® and others.

We are developing a new molecular diagnostic test for assessing the risk of pancreatic cyst progression to cancer, distinct from our prior pancreatic test. Our prior pancreatic test (PancraGen®) was discontinued as a result of a loss of reimbursement by Medicare, Medicare Advantage and Medicaid. We believe that the development process will take approximately 12-24 months, is subject to significant uncertainties, and there can be no assurance that the test will be successfully developed or commercialized or generate revenue on any particular timeline, or at all. Before the new test is launched, a positive determination of reimbursement from CMS must be obtained. The timing of such determination is unknown and such positive reimbursement determination may never be obtained. In order to obtain reimbursement from Medicare, Medicare Advantage, Medicaid and private insurers, we will need to prove medical necessity for such test and demonstrate that the results of such test directly influence treatment and patient management, including clinical decisions.

We are also in the early stages of developing a new molecular diagnostic test, based on an earlier uncommercialized test, for assessing the risk of Barrett's Esophagus progression to cancer. There can be no assurance that development of this product will ever begin, and if begun, will ever be completed or be successful. It is unlikely that such a test would be launched before 2030, if at all.

Equity

On January 20, 2026, we announced that all shares of Series C Preferred Stock were converted into shares of Common Stock, resulting in the issuance of 4,653,467 shares of Common Stock (calculated as $1,000 stated value per preferred share divided by the $10.10 conversion price). As a result of these conversions and the subsequent issuances, there were 5,901,964 shares of Common Stock outstanding as of September 30, 2026.

Reverse Stock Split

On August 27, 2026, the Company effected a one-for-five reverse split of its issued and outstanding shares of Common Stock. All share and per share amounts in prior periods have been retroactively adjusted to reflect the reverse split.

Clinical Services

Our clinical services business commercializes clinically useful molecular diagnostic tests and molecular pathology services. We commercialize esoteric diagnostic tests that are principally focused on risk-stratification of cancer using the latest technology to help personalize medicine and improve patient diagnosis and management. Our tests and services provide pathological, mutational and epigenetic analysis of fine-needle aspiration biopsies derived from thyroid nodules with the goal of better informing surgery or surveillance treatment decisions in patients suspected of thyroid, pancreatic, and other cancers. The molecular diagnostic tests we offer enable healthcare providers to stratify cancer risk, helping to avoid unnecessary surgical treatment in patients at low risk, while also helping to identify patients that would benefit from increased surveillance or surgical intervention.

We currently have two commercialized molecular diagnostic tests in the marketplace: ThyGeNEXT®, an expanded oncogenic mutation panel that helps "rule-in" and "rule-out" malignancy in thyroid nodules and ThyraMIR®v2, used in combination with ThyGeNEXT®, to help in further refining the malignancy risk of indeterminate thyroid nodules utilizing a proprietary microRNA gene expression classifier.

Revenue Recognition

Clinical services derive revenues from the performance of 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 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 NRVs and related contractual allowances accordingly. If actual collections and related NRVs vary significantly from our estimates, we adjust the estimates of contractual allowances, which affects net revenue in the period such variances become known.

Cost of Revenue

Cost of revenue consists primarily of the costs associated with operating our laboratory 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, 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, 2026 Compared to the Quarter Ended September 30, 2025 (unaudited, in thousands)

	Three Months Ended September 30,			
	2026	2026 % to revenue	2025	2025 % to revenue
Revenue, net	$ 10,373	100.0%	$ 8,756	100.0%
Cost of revenue	3,193	30.8%	3,317	37.9%
Gross profit	7,180	69.2%	5,439	62.1%
Operating expenses:				
Sales and marketing	2,704	26.1%	2,087	23.8%
Research and development	160	1.5%	150	1.7%
General and administrative	6,716	64.7%	2,057	23.5%
Total operating expenses	9,580	92.4%	4,294	49.0%
Operating (loss) income	(2,400)	-23.1%	1,145	13.1%
Note payable interest	-	0.0%	(30)	-0.3%
Other income (expense), net	15	0.1%	(115)	-1.3%
(Loss) income from continuing operations before tax	(2,385)	-23.0%	1,000	11.4%
Benefit for income taxes	(884)	-8.5%	(11)	-0.1%
(Loss) income from continuing operations	(1,501)	-14.5%	1,011	11.5%
Loss from discontinued operations, net of tax	(109)	-1.1%	(100)	-1.1%

Net (loss) income	$ (1,610)	-15.5%	$ 911	10.4%

Revenue, net

Revenue, net for the three months ended September 30, 2026 increased by $1.6 million, or 19%, to $10.4 million, compared to $8.8 million for the three months ended September 30, 2025. This was primarily driven by increased volume and positive NRV adjustments.

Cost of revenue

Consolidated cost of revenue for the three months ended September 30, 2026 was $3.2 million, as compared to $3.3 million for the three months ended September 30, 2025. As a percentage of revenue, cost of revenue decreased to 31% for the three months ended September 30, 2026 as compared to 38% in the comparable prior year period. The decrease as a percentage of revenue can be primarily attributed to the increase in revenue.

Gross profit

Consolidated gross profit was approximately $7.2 million for the three months ended September 30, 2026 and $5.4 million for the three months ended September 30, 2025. The increase is attributed to the increase in revenue discussed above.

Sales and marketing expense

Sales and marketing expense was approximately $2.7 million for the three months ended September 30, 2026 and $2.1 million for the three months ended September 30, 2025. The increase was primarily attributable to an increase in employee compensation costs of $0.5 million, of which $0.3 million pertained to stock compensation costs. As a percentage of revenue, sales and marketing expense was approximately 26% for the three months ended September 30, 2026 and 24% for the three months ended September 30, 2025.

Research and development

Research and development expense was approximately $0.2 million for both the three months ended September 30, 2026 and the three months ended September 30, 2025. As a percentage of revenue, research and development expense was approximately 2% in both periods.

General and administrative

General and administrative expense was approximately $6.7 million for the three months ended September 30, 2026 and $2.1 million for the three months ended September 30, 2025. The increase can be primarily attributed to an increase in employee compensation costs of $4.0 million, of which $3.8 million pertained to stock compensation costs due to the immediate vesting of RSUs granted in the quarter.

Operating (loss) income

There was an operating loss from continuing operations of $2.4 million for the three months ended September 30, 2026 as compared to operating income from continuing operations of $1.1 million for the three months ended September 30, 2025. The decrease in operating income from continuing operations was primarily attributable to the increase in general and administrative expenses discussed above.

Note payable interest expense

Note payable interest expense was $30,000 for the three months ended September 30, 2025. The interest expense was from our former Term Loan with BroadOak Fund V, L.P. (“Term Loan”) which has since been repaid. There was no note payable interest expense for the three months ended September 30, 2026.

(Benefit) provision for income taxes

There was an income tax benefit of $0.9 million for the three months ended September 30, 2026. This was primarily due to the net loss and the increase to our deferred tax assets. There was an income tax benefit of $11,000 for the three months ended September 30, 2025.

Loss from discontinued operations, net of tax

We had a loss from discontinued operations of approximately $0.1 million for both the three months ended September 30, 2026 and for the three months ended September 30, 2025.

Condensed Consolidated Results of Continuing Operations for the Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025 (unaudited, in thousands)

	Nine Months Ended September 30,			
	2026	2026 % to revenue	2025	2025 % to revenue
Revenue, net	$ 28,537	100.0%	$ 29,504	100.0%
Cost of revenue	9,799	34.3%	11,418	38.7%
Gross profit	18,738	65.7%	18,086	61.3%
Operating expenses:				
Sales and marketing	7,088	24.8%	7,811	26.5%
Research and development	461	1.6%	500	1.7%
General and administrative	12,143	42.6%	7,268	24.6%
Total operating expenses	19,692	69.0%	15,579	52.8%
Operating (loss) income	(954)	-3.3%	2,507	8.5%
Note payable interest	-	0.0%	(156)	-0.5%
Other income, net	33	0.1%	(112)	-0.4%
(Loss) income from continuing operations before tax	(921)	-3.2%	2,239	7.6%
(Benefit) provision for income taxes	(517)	-1.8%	7	0.0%
(Loss) income from continuing operations	(404)	-1.4%	2,232	7.6%
Loss from discontinued operations, net of tax	(327)	-1.1%	(314)	-1.1%
Net (loss) income	$ (731)	-2.6%	$ 1,918	6.5%

Revenue, net

Revenue, net for the nine months ended September 30, 2026 decreased by $1.0 million, or 3%, to $28.5 million, compared to $29.5 million for the nine months ended September 30, 2025. The decrease in net revenue was primarily driven by the loss of reimbursement for PancraGEN® in April 2025, which resulted in specimens for PancraGEN® testing no longer being accepted by the Company after May 2, 2025.

Cost of revenue

Consolidated cost of revenue for the nine months ended September 30, 2026 was $9.8 million and was $11.4 million for the nine months ended September 30, 2025. As a percentage of revenue, cost of revenue was approximately 34% for the nine months ended September 30, 2026 as compared to 39% for the nine months ended September 30, 2025. The decrease in cost of revenue was largely driven by the loss of PancraGEN® revenue discussed above.

Gross profit

Consolidated gross profit was approximately $18.7 million for the nine months ended September 30, 2026 and $18.1 million for the nine months ended September 30, 2025. The gross profit percentage was approximately 66% for the nine months ended September 30, 2026 and 61% for the nine months ended September 30, 2025. This improvement can be attributed to a decrease in variable costs associated with PancraGEN®.

Sales and marketing expense

Sales and marketing expense was approximately $7.1 million for the nine months ended September 30, 2026 and $7.8 million for the nine months ended September 30, 2025. The decrease is primarily the result of the loss of PancraGEN® in 2025 which had approximately four months of sales force and severance costs as compared to none in 2026. As a percentage of revenue, sales and marketing expense decreased to 25% from 27% in the comparable prior year period due to the decrease in sales force costs.

Research and development

Research and development expense was approximately $0.5 million for both the nine months ended September 30, 2026 and September 30, 2025. As a percentage of revenue, research and development expense remained the same at approximately 2% for both periods.

General and administrative

General and administrative expense was approximately $12.1 million for the nine months ended September 30, 2026 and $7.3 million for the nine months ended September 30, 2025. The increase can be primarily attributed to a $3.7 million increase in stock compensation costs, which can be attributed to the immediate vesting of RSUs granted during the period. Legal expenses have also increased by approximately $0.9 million.

Operating (loss) income

There was an operating loss from continuing operations of $1.0 million for the nine months ended September 30, 2026 as compared to operating income of $2.5 million for the nine months ended September 30, 2025. The decrease in operating income was primarily attributable to the increase in general and administrative expenses discussed above.

Note payable interest expense

Note payable interest expense was $0.2 million for the nine months ended September 30, 2025. The interest expense was from our former Term Loan with BroadOak Fund V, L.P. (“Term Loan”) which has since been repaid. There was no note payable interest expense for the nine months ended September 30, 2026.

Provision for income taxes

There was an income tax benefit of $0.5 million for the nine months ended September 30, 2026. This was primarily due to the net loss and the increase to our deferred tax assets. There was income tax expense of $7,000 for the nine months ended September 30, 2025. The income tax expense for the nine months ended September 30, 2025 was primarily related to state and local taxes.

Loss from discontinued operations, net of tax

We had a loss from discontinued operations of approximately $0.3 million for both the nine months ended September 30, 2026 and September 30, 2025.

Pro-Forma Reconciliation

The following non-GAAP table reconciles the results for the nine months ended September 30, 2025, excluding the impact of PancraGEN®.

Reconciliation of Pro Forma
(unaudited, in thousands, except per share data)

	Nine Months Ended September 30, 2025		
	As Reported	PancraGEN Revenue and Direct Costs*	Pro Forma
Revenue, net	$ 29,504	$ 4,193	$ 25,311
Cost of revenue	11,418	1,023	10,395
Gross Profit	18,086	3,170	14,916
Sales and marketing	7,811	1,653	6,158
Research and development	500	100	400
General and administrative	7,268	193	7,075
Total operating expenses	15,579	1,946	13,633
Operating income	2,507	1,224	1,283
Note payable interest	(156)	-	(156)
Other expense, net	(112)	-	(112)
Income from continuing operations before tax	2,239	1,224	1,015
Provision for income taxes	7	-	7
Income from continuing operations	2,232	1,224	1,008
Loss from discontinued operations, net of tax	(314)	-	(314)
Net income	$ 1,918	$ 1,224	$ 694
Basic income (loss) per share of common stock:			
From continuing operations	$ 2.52	$ 1.38	$ 1.14
From discontinued operations	(0.35)	-	(0.35)
Net income (loss) per basic share of common stock	$ 2.17	$ 1.38	$ 0.78
Diluted income (loss) per share of common stock:			
From continuing operations	$ 0.40	$ 0.22	$ 0.18
From discontinued operations	(0.06)	-	(0.06)
Net income (loss) per diluted share of common stock	$ 0.35	$ 0.22	$ 0.13
Weighted average number of common shares and common share equivalents outstanding:			
Basic	885	885	885
Diluted	5,539	5,539	5,539

* PancraGEN® Direct Costs represent only direct costs associated with the operations of PancraGEN® testing, with no allocations or estimates of corporate, shared, or overhead expenses included.

Non-GAAP Financial Measures

In addition to the 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 Quarterly Report on Form 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, non-cash stock-based compensation, non-recurring legal expenses, severance expense, asset impairment, interest and taxes, and other non-cash expenses including change in fair value of notes payable. The legal expenses included are related to NASDAQ uplist costs, special proxy and charter work, and an employment dispute. 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,	
	2026	**2025**	**2026**	**2025**
(Loss) income from continuing operations (GAAP Basis)	$ (1,501)	$ 1,011	$ (404)	$ 2,232
Depreciation and amortization	141	111	386	307
Stock-based compensation	3,993	7	4,001	31
Non-recurring legal expenses	234	-	614	-
Severance & related expense	-	-	-	692
Asset impairment - lab supplies	-	-	-	198
Loss on sale of asset	104	-	104	-
Lab supplies write-off	-	-	217	-
Taxes (benefit) expense	(884)	(11)	(517)	7
Note payable interest	-	30	-	156
Other income/expense, net	(15)	10	(33)	25
Change in fair value of note payable	-	105	-	87
Adjusted EBITDA	$ 2,072	$ 1,263	$ 4,368	$ 3,735

LIQUIDITY AND CAPITAL RESOURCES

For the nine months ended September 30, 2026, we had an operating loss from continuing operations of $1.0 million. As of September 30, 2026, we had cash and cash equivalents of $2.9 million, total current assets of $13.3 million and current liabilities of $6.4 million. As of November 6, 2026, we had approximately $3.4 million of cash and cash equivalents.

During the nine months ended September 30, 2026, net cash provided by operating activities was $1.4 million. The main component of cash provided by operating activities was our net loss of $0.7 million and an increase in accounts receivable of $2.0 million being offset by non-cash adjustments of $4.5 million. During the nine months ended September 30, 2025, net cash provided by operating activities was $3.7 million. The main component of cash provided by operating activities was our net income of $1.9 million.

For nine months ended September 30, 2026, cash used in investing activities was $0.6 million which primarily pertained to the purchase of lab equipment. During the nine months ended September 30, 2025 net cash used in investing activities of $0.3 million was primarily related to the purchase of lab equipment.

For the nine months ended September 30, 2026, there was cash used in financing activities of $0.4 million related to our proposed public offering. For the nine months ended September 30, 2025, cash used in financing activities was $3.4 million, which were payments made on our former Term Loan.

We generated positive cash flows from operations for the nine months ended September 30, 2026. We intend to meet our ongoing capital needs by using our available cash as well as through targeted margin improvement, collection of accounts receivable, containment of costs, and the potential use of other financing options and other strategic alternatives.

The Company continues to explore various strategic alternatives, dilutive and non-dilutive sources of funding, including equity and debt financings, strategic alliances, business development and other sources in order to provide additional liquidity. With the delisting of the Common Stock from Nasdaq in February 2021, our ability to raise additional capital on terms acceptable to the Company has been adversely impacted. There can be no assurance that the Company will be successful in obtaining such funding on terms acceptable to the Company. The Company is seeking to uplist its Common Stock to Nasdaq. The timing of the uplist is uncertain and there can be no assurances that the uplist will be completed.

Inflation

We do not believe that inflation had a significant impact on our results of operations for the periods presented. However, inflation and supply chain disruptions, whether caused by restrictions or slowdowns in shipping or logistics, increases in demand for certain goods used in our operations, tariffs, or otherwise, could impact our operations in the near term.

Critical Accounting Estimates

See Note 5, *Summary of Significant Accounting Policies* to the Interim Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for information regarding newly adopted and recent accounting pronouncements. See also Note 1, *Nature of Business and Significant Accounting Policies* to our financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025, as amended, for a discussion of our critical accounting policies. There have been no material changes to such critical accounting policies. We believe our most critical accounting policies include accounting for revenue recognition, leases, and income taxes.

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 principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2026. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Based on management's evaluation of the Company's disclosure controls and procedures, the principal executive officer and principal financial officer of the Company have concluded that the Company's disclosure controls and procedures were effective as of September 30, 2026.

Reference should be made to our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 30, 2026, as amended, for additional information regarding discussion of the effectiveness of the Company's controls and procedures.

Changes in Internal Control over Financial Reporting

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

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K of the Company filed with the SEC on March 30, 2026, as amended, and as updated in subsequent filings. These risk factors could materially harm our business, operating results and financial condition. Additional factors and uncertainties not currently known to us or that we currently consider immaterial also may materially adversely affect our business, financial condition or future results.

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
3.1	Amended and Restated Certificate of Incorporation of Interpace Biosciences, Inc., dated August 20, 2026, incorporated by reference to Exhibit 3.2 of the Company's Registration Statement on Form S-1 (File No. 333-299123), filed with the SEC on September 25, 2026.
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Interpace Biosciences, Inc., dated August 25, 2026, effecting the reverse stock split, incorporated by reference to Exhibit 3.3 of the Company's Registration Statement on Form S-1 (File No. 333-299123), filed with the SEC on September 25, 2026.
3.3	Amended and Restated Bylaws of Interpace Biosciences, Inc., incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K, filed with the SEC on November 14, 2019.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101).

* Filed Herewith.

\+ 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.

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 16, 2026

Interpace Biosciences, Inc.
(Registrant)

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

Date: November 16, 2026

/s/ Christopher McCarthy
Christopher McCarthy
Chief Financial Officer and Chief Operating 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, 2026 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 16, 2026

/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, Christopher McCarthy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 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 16, 2026

/s/ Christopher McCarthy
Chief Financial Officer and Chief Operating 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, 2026 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 16, 2026

/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, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher McCarthy 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 16, 2026

/s/ Christopher McCarthy
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)