Table of Contents

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

FORM 10-Q

(Mark One)

x **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

o **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 001-42934

BillionToOne, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**81-1082020**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1035 O'Brien Drive **Menlo Park, CA**	**94025**
(Address of Principal Executive Offices)	(Zip Code)

(650) 460-2551
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
Class A common stock, par value $0.00001 per share	BLLN	The Nasdaq Stock Market LLC

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 Act).

Yes ☐ No ☒

As of November 2, 2026, there were 43,272,198 shares of Class A common stock and 4,502,650 shares of Class B common stock, each with a par value $0.00001 per share, outstanding.

TABLE OF CONTENTS

		Page
Part I Financial Information		4
Item 1.	Financial Statements (Unaudited)	4
	Balance Sheets	4
	Statements of Operations and Comprehensive Income (Loss)	5
	Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)	6
	Statements of Cash Flows	8
	Notes to Unaudited Interim Financial Statements	10
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	43
Item 4.	Controls and Procedures	44
Part II Other Information		46
Item 1.	Legal Proceedings	46
Item 1A.	Risk Factors	46
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	46
Item 3.	Defaults Upon Senior Securities	47
Item 4.	Mine Safety Disclosures	47
Item 5.	Other Information	47
Item 6.	Exhibits	48
Signatures		50

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future operating results and financial position, our business strategy and plans, our market growth, and our objectives for future operations, are forward-looking statements.

The words "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "forecast," "could," "plan," "potential," "predict," "seek," "target," "should," "would," or the negative version of these words and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short- and long-term business operations and objectives, and financial needs. Forward-looking statements contained in this Quarterly Report include, but are not limited to, statements about:

- the level of demand for any of our products, which may vary significantly;
- our ability to increase the adoption of our products in the prenatal and oncology markets and in large healthcare systems;
- our ability to generate persuasive clinical validity and utility evidence;
- our ability to expand our portfolio of molecular diagnostic tests;
- our ability to use AI effectively and efficiently;
- our ability to execute our reimbursement strategy and expand coverage of our tests;
- our ability to replicate positive results from trials or studies conducted by us or third parties in current or future trials or studies;
- the potential for our UNITY Fetal Antigen CTA to become the first non-invasive prenatal test (NIPT) to have a companion diagnostics indication pending;
- the successful completion of Johnson & Johnson's AZALEA Phase 3 clinical trial;
- the implementation of our business model and strategic plans;
- our ability to realize the benefits of current and future collaborations for the development of our products;
- our ability to maintain, expand and protect our intellectual property;
- developments relating to our competitors and our industry, including with respect to the possibility of competitors initiating legal proceedings against us;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- general economic, industry, and market conditions, including tariffs or other trade actions, inflation and war;
- our ability to attract, hire, and retain our key personnel and additional qualified personnel;
- our anticipated use of our existing cash and cash equivalents;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our ability to remediate the material weaknesses in our internal control over financial reporting or additional material weaknesses or other deficiencies in the future or to maintain effective disclosure controls and procedures and internal control over financial reporting; and
- other risks and uncertainties, including those listed in the section titled "Risk Factors."

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in the section titled "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events

and circumstances discussed in this Quarterly Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance or achievements. The forward-looking statements made in this Quarterly Report are given only as of the date on which the statements are made. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this Quarterly Report or to conform these statements to actual results or to changes in our expectations, except as required by law.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into or review of all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report and the documents that we reference in this Quarterly Report and have filed as exhibits with the understanding that our actual future results, levels of activity, performance and achievements may be different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Part I - Financial Information

Item 1. Financial Statements (Unaudited)

BillionToOne, Inc.
Balance Sheets
(in thousands, except share amounts, unaudited)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 561,512	$ 495,975
Accounts receivable	88,283	41,617
Inventories	21,891	17,545
Prepaid expenses and other current assets	10,407	5,421
Total current assets	682,093	560,558
Property and equipment, net	26,784	20,361
Operating lease right-of-use assets, net	46,300	46,742
Other non-current assets	5,313	4,993
Total assets	$ 760,490	$ 632,654
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 10,232	$ 7,184
Accrued expenses and other current liabilities	15,018	7,247
Accrued commissions	3,465	3,912
Accrued compensation and employee benefits	22,869	12,551
Common stock warrant liability	-	9,282
Deferred revenue, current	1,884	2,188
Operating lease liabilities, current	6,784	5,079
Financing lease liabilities, current	385	519
Total current liabilities	60,637	47,962
Operating lease liabilities, non-current	44,222	45,723
Financing lease liabilities, non-current	75	348
Deferred revenue, non-current	28	1,290
Long-term debt	88,982	57,226
Total liabilities	193,944	152,549
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Class A common stock, $0.00001 par value, 800,000,000 shares authorized as of September 30, 2026 and December 31, 2025; 43,128,349 and 41,252,105 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	-	-
Class B common stock, $0.00001 par value; 10,000,000 shares authorized as of September 30, 2026 and December 31, 2025; 4,502,650 and 4,552,650 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	-	-
Additional paid-in capital	800,739	756,644
Accumulated other comprehensive loss	(2,861)	(1,792)
Accumulated deficit	(231,332)	(274,747)
Total stockholders' equity	566,546	480,105
Total liabilities and stockholders' equity	$ 760,490	$ 632,654

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

BillionToOne, Inc.
Statements of Operations and Comprehensive Income
(in thousands, except per share amounts, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 122,981	$ 83,523	$ 340,817	$ 209,059
Cost of revenue	35,836	25,107	97,469	69,205
Gross profit	87,145	58,416	243,348	139,854
Operating expenses:				
Research and development	20,216	12,953	52,223	35,134
Selling, general and administrative	55,906	35,830	156,765	99,029
Total operating expenses	76,122	48,783	208,988	134,163
Income from operations	11,023	9,633	34,360	5,691
Other income (expense):				
Interest income	4,912	1,535	14,251	4,492
Interest expense	(6)	(20)	(24)	(92)
Change in fair value of term loan	1,482	(3,936)	(5,747)	(7,038)
Other income (expense), net	(19)	(1,630)	579	(1,591)
Total other income (expense)	6,369	(4,051)	9,059	(4,229)
Income before provision for income taxes	17,392	5,582	43,419	1,462
Provision for income taxes	1	(129)	4	(15)
Net income	$ 17,391	$ 5,711	$ 43,415	$ 1,477
Less: Net income attributable to participating securities	-	(4,204)	-	(1,089)
Net income attributable to common stockholders	$ 17,391	$ 1,507	$ 43,415	$ 388
Other comprehensive income, net of taxes:				
Change in fair value of term loan attributable to instrument-specific credit risk	$ (1,069)	$ -	$ (1,069)	$ -
Other comprehensive loss, net of taxes	(1,069)	-	(1,069)	-
Comprehensive income, net of taxes	$ 16,322	$ 5,711	$ 42,346	$ 1,477
Net income per share, basic and diluted:				
Net income per share, basic	$ 0.37	$ 0.14	$ 0.93	$ 0.04
Net income per share, diluted	$ 0.32	$ 0.10	$ 0.81	$ 0.03
Weighted-average shares used in calculating net income per share, basic and diluted:				
Weighted-average shares used in calculating net income per share, basic	47,271,383	10,429,583	46,540,721	10,376,253
Weighted-average shares used in calculating net income per share, diluted	53,732,158	15,571,949	53,743,737	15,117,365

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

BillionToOne, Inc.
Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)
(in thousands, except share data, unaudited)

Three Months Ended September 30, 2026

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at June 30, 2026	-	$ -	46,826,550	$ -	$ 787,321	$ (1,792)	$ (248,723)	$ 536,806
Issuance of Class A common stock upon exercise of stock options	-	-	797,294	-	4,634	-	-	4,634
Issuance of common stock upon vesting of RSUs	-	-	11,263	-	-	-	-	-
Taxes paid related to net share settlement of equity awards	-	-	(4,108)	-	(435)	-	-	(435)
Stock-based compensation	-	-	-	-	9,067	-	-	9,067
Vesting of early exercised options	-	-	-	-	152	-	-	152
Other comprehensive loss	-	-	-	-	-	(1,069)	-	(1,069)
Net income	-	-	-	-	-	-	17,391	17,391
Balance at September 30, 2026	-	$ -	47,630,999	$ -	$ 800,739	$ (2,861)	$ (231,332)	$ 566,546

Three Months Ended September 30, 2025

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at June 30, 2025	29,084,235	$ 419,409	11,085,044	$ -	$ 36,182	$ -	$ (286,435)	$ (250,253)
Issuance of common stock upon exercise of stock options	-	-	93,423	-	554	-	-	554
Stock-based compensation	-	-	-	-	4,475	-	-	4,475
Net income	-	-	-	-	-	-	5,711	5,711
Balance at September 30, 2025	29,084,235	$ 419,409	11,178,467	$ -	$ 41,211	$ -	$ (280,724)	$ (239,513)

Nine Months Ended September 30, 2026

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2025	-	$ -	45,804,755	$ -	$ 756,644	$ (1,792)	$ (274,747)	$ 480,105
Issuance of Class A common stock upon exercise of stock options	-	-	1,705,973	-	12,319	-	-	12,319
Issuance of common stock upon vesting of RSUs	-	-	11,263	-	-	-	-	-
Taxes paid related to net share settlement of equity awards	-	-	(4,108)	-	(435)	-	-	(435)
Stock-based compensation	-	-	-	-	22,839	-	-	22,839
Exercise of Class A common stock warrants	-	-	113,116	-	9,220	-	-	9,220
Vesting of early exercised options	-	-	-	-	152	-	-	152
Other comprehensive loss	-	-	-	-	-	(1,069)	-	(1,069)
Net income	-	-	-	-	-	-	43,415	43,415
Balance at September 30, 2026	-	$ -	47,630,999	$ -	$ 800,739	$ (2,861)	$ (231,332)	$ 566,546

	Nine Months Ended September 30, 2025							
	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2024	29,084,235	$ 419,409	10,925,950	$ -	$ 30,545	$ -	$ (282,201)	$ (251,656)
Issuance of common stock upon exercise of stock options	-	-	252,517	-	1,085	-	-	1,085
Stock-based compensation	-	-	-	-	9,581	-	-	9,581
Net income	-	-	-	-	-	-	1,477	1,477
Balance at September 30, 2025	29,084,235	$ 419,409	11,178,467	$ -	$ 41,211	$ -	$ (280,724)	$ (239,513)

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

BillionToOne, Inc.
Statements of Cash Flows
(in thousands, unaudited)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities:		
Net income	$ 43,415	$ 1,477
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation	24,430	9,581
Depreciation and amortization	5,540	5,232
Amortization of operating right-of-use assets	4,432	3,715
Loss on disposal of fixed assets	82	7
Change in fair value of common stock warrant liability	(62)	1,409
Change in fair value of redeemable convertible preferred stock warrant liability	-	176
Change in fair value of term loan	687	3,505
Changes in operating assets and liabilities:		
Accounts receivable	(46,666)	(9,937)
Inventories	(4,346)	(8,656)
Prepaid expenses and other current assets	(4,903)	(1,727)
Other non-current assets	(320)	(62)
Accounts payable	4,025	3,047
Accrued expenses and other current liabilities	7,871	3,972
Accrued commissions	(447)	166
Accrued compensation and employee benefits	8,727	5,268
Deferred revenue	(1,566)	(123)
Operating lease liabilities	(3,786)	(3,247)
Net cash provided by operating activities	37,113	13,803
Cash flows from investing activities:		
Purchases of property and equipment	(12,466)	(7,344)
Net cash used in investing activities	(12,466)	(7,344)

BillionToOne, Inc.
Statements of Cash Flows
(in thousands, unaudited)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from financing activities:		
Proceeds from issuance of debt	30,000	-
Principal payments on finance lease liabilities	(407)	(1,449)
Payment of deferred offering costs	(504)	(2,516)
Proceeds from exercise of stock options	12,236	1,181
Taxes paid related to net share settlement of equity awards	(435)	-
Net cash provided by (used in) financing activities	40,890	(2,784)
Net increase in cash and cash equivalents	65,537	3,675
Cash and cash equivalents at beginning of period	495,975	191,477
Cash and cash equivalents at end of period	$ 561,512	$ 195,152
Supplemental cash flow disclosure:		
Cash payments for interest	$ 5,084	$ 3,626
Cash paid for income taxes	$ 393	$ 460
Supplemental cash flow information and non-cash investing and financing activities:		
Purchases of property and equipment in accounts payable and accrued expenses and other current liabilities	$ 1,970	$ 500
Deferred offering costs in accounts payable and accrued expenses and other current liabilities	$ -	$ 1,144
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 4,034	$ -
Cash paid for amounts included in the measurement of operating lease liabilities	$ 7,135	$ 6,594
Net exercise of Class A common stock warrants	$ 9,220	$ -
Operating cash flows from financing leases (interest paid)	$ 24	$ 89
Exercise of stock options for which cash had not been received	$ 86	$ -

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

BillionToOne, Inc.
Notes to Unaudited Interim Financial Statements

(1) Description of Business

BillionToOne, Inc. (the "Company") was formed in 2016 and is headquartered in Menlo Park, California. The Company is a precision diagnostics company that quantifies biology to create molecular diagnostics. The Company's proprietary molecular counting platform is designed to detect and measure DNA molecules at the single-count level to help improve disease detection. The Company currently applies the proprietary technology to non-invasive prenatal screening ("Prenatal") and liquid biopsy ("Oncology").

(2) Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany transactions and balances have been eliminated upon consolidation.

The unaudited interim financial statements should be read in conjunction with the audited financial statements and related notes for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K filed with the SEC on March 11, 2026.

For a summary of the Company's significant accounting policies refer to "Note 2. Summary of Significant Accounting Policies" in the notes to the financial statements as of and for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K. There have been no significant changes to these policies during the nine months ended September 30, 2026.

Unaudited interim financial information

The unaudited financial statements do not include all disclosures, including certain notes required by GAAP on an annual reporting basis. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements. In management's opinion, the unaudited financial statements reflect all normal recurring adjustments necessary to state fairly the balance sheets, statements of operations and comprehensive income, statements of redeemable convertible preferred stock and stockholders' equity (deficit), and statements of cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full fiscal year or any future period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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. On a regular basis, management evaluates estimates, including, but not limited to: stock-based compensation, deferred tax assets and liabilities, useful lives of long-lived assets, the incremental borrowing rate applied to operating and finance leases, determination of revenue recognition and accounts receivable, and valuation of debt and common stock warrants. These estimates are inherently subject to judgment and actual results could differ from those estimates.

Risks and Uncertainties

Certain of the Company's product candidates are in development. If the Company is unable to advance its product candidates through development, clinical validation and ultimately commercialize its product candidates, or experiences significant delays in doing so, the Company's business will be materially harmed. Even if the Company completes the necessary validation studies and product development, the process to meet any applicable regulatory requirements can be expensive. As a result, the Company cannot predict when, or if, it will be able to commercialize a product candidate.

The Company is subject to certain risks and uncertainties that the Company believes could have a material adverse effect on its future financial position or results of operations. As of the date of issuance of the financial statements, the Company is not aware of any specific event or circumstance that would require it to update its estimates, judgments, or the carrying value of its assets or liabilities. These estimates may change as new

events occur and additional information is obtained and are recognized in the financial statements as soon as they become known. Actual results could differ from those estimates, and any such differences may be material to the Company's financial statements.

The Company is subject to regulation and enforcement by the federal government and by authorities in state and foreign jurisdictions in which the Company conducts business. Such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, privacy and security laws and regulations. If the Company's operations are found to be in violation of any such laws or government regulations that apply to us, the Company may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of operations and exclusion from participation in federal and state healthcare programs.

Revenue

The Company recognizes revenue upon transfer of control of promised goods and services in an amount that reflects the consideration it expects to be entitled to receive in exchange for those goods and services. Under ASC 606—Revenue from Contracts with Customers ("ASC 606"), the Company applies the following five-step approach:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when, or as, a performance obligation is satisfied

The Company generates revenue primarily from prenatal and oncology testing services, which are referred to as testing services or test results. The Company considers the patient, who requests the test through the patient's physician, to be its customer. Test results are the single performance obligation being provided to customers. Testing service revenue is recognized at a point in time when test results are delivered to the ordering physician. The Company generally bills an insurance carrier, Medicaid, Medicare, the patient, or a combination upon delivery of test results.

The Company enters into contracts with third-party payors, including insurance carriers, Medicaid and Medicare, to set the pricing for tests provided to patients. Due to the nature of these third-party payor contract arrangements, the total consideration the Company expects to collect for test results is variable as they are dependent on the terms negotiated with the third-party payor. The predominance of the Company's revenue is derived from payments by third-party insurance carriers.

The Company uses the expected value method of estimating variable consideration. The total consideration the Company expects to collect in exchange for the Company's products is an estimate and is largely variable in nature. Consideration includes reimbursement from both patients and third-party payors. The Company establishes variable consideration by considering historical payment trends for tests delivered, test reimbursement disallowances, and contractual arrangements in place, among other factors, which is adjusted for current expectations. Current expectations of cash collections factor in changes in reimbursement rate trends, historical events not expected to recur, and future known changes such as anticipated contractual pricing changes or changes to insurance coverage. The Company also considers hindsight, where applicable, in estimates established for variable consideration and updates those estimates when actual experience supports doing so. In establishing variable consideration, the Company considers payors with similar reimbursement characteristics together. The Company monitors the cash collections against the estimated variable consideration over the expected cash collection period and any difference is recognized as an adjustment to estimated revenues after such estimated cash collection period has closed.

In January 2023, the Company entered into a partnership with Johnson & Johnson ("J&J") under which the Company is licensing the Company's proprietary knowledge, performing clinical trial support services including developing a clinical study assay, and other testing services to support a clinical trial for the counterparty. In March 2026, the Company amended and restated the agreement governing the partnership with J&J to amend

pricing and extend the term of the agreement, the extension is expected to have a duration of approximately three years. The Company concluded that the agreement and the amended agreement with J&J were within the scope of ASC 606 because the counterparty in the agreement meets the definition of a customer. The Company evaluated the terms of the agreement for revenue recognition, including whether the services are capable of being distinct and considered distinct within the context of the contract. The Company concluded that the licensing of the know how is not distinct from the other promises within the agreement and, as a result, was treated as a single performance obligation. Under this contract, the Company receives payments upon the achievement of milestones, including (i) receipt of approval of the trial, which was achieved in 2023, (ii) various patient enrollment milestones, and (iii) subsequent full trial completion, as well as reimbursement for testing services. In making an assessment of whether variable consideration should be included in the transaction price, the Company considers the degree of complexity and uncertainty associated with each milestone and related testing services, and whether achievement of the milestones and testing services are dependent on parties other than the Company.

In July 2025, the Company entered into a partnership with J&J for the development and commercialization of a companion diagnostic (CDx), intended for use with a new drug candidate of J&J. The Company is providing services related to regulatory filings to support companion diagnostic submissions for the Company's assay. The development and regulatory support services represent a single performance obligation as the Company performs a significant integration service, such as analytical validation and regulatory submissions. The individual promises are not separately identifiable from other promises in the contract, and therefore, not distinct. The Company receives payment from achievement of milestones, including (i) various CDx development milestones, (ii) FDA regulatory submission and pre-approval, and (iii) CDx approval by FDA. For the companion diagnostic development and regulatory approval performed, the Company is compensated through a combination of an upfront fee and performance-based, non-refundable regulatory and development milestones. The transaction price represents variable consideration and the Company uses the most likely amount to estimate variable consideration. Application of the constraint for variable consideration to milestone payments is an area that requires significant judgment. The Company evaluates factors such as the scientific, clinical, regulatory, and other risks that must be managed to achieve the respective milestone and the level of effort and investment required to achieve the respective milestone. In making this assessment, the Company considers its historical experience with similar milestones, the degree of complexity and uncertainty associated with each milestone, and whether the achievement of the milestone is dependent on parties other than the Company. The constraint for variable consideration is applied to the contract price such that it is probable a significant cumulative reversal of revenue will not occur when the uncertainty associated with the contingency is resolved. Application of the constraint for variable consideration is assessed and updated at each reporting period as a revision to the estimated transaction price.

The Company recognizes revenue for the single performance obligation for each of the J&J partnership agreements over the period the services are provided. Specifically, the Company recognizes revenue using an input method to measure progress, utilizing costs incurred to-date relative to the total expected costs as a measure of progress. The Company assesses the changes to the total expected cost estimates in determining the revenue recognition for each reporting period.

The Company applies the practical expedient not to disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. As of September 30, 2026, the Company's remaining performance obligations beyond one year were approximately $4.8 million.

Disaggregation of revenue

The following table presents disaggregation of revenue by Prenatal, Oncology and Clinical trial support and other services for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Prenatal	$ 104,289	$ 74,071	$ 295,062	$ 191,001
Oncology	17,054	8,691	41,438	15,814
Clinical trial support and other services	1,638	761	4,317	2,244
Total revenues	$ 122,981	$ 83,523	$ 340,817	$ 209,059

Substantially all revenues recognized for the three and nine months ended September 30, 2026 and 2025 were generated in the United States.

Revenue related to performance obligations satisfied in prior periods

For the three months ended September 30, 2026 and 2025, the Company recorded $7.6 million and $3.7 million, respectively, and for the nine months ended September 30, 2026 and 2025, the Company recorded $19.6 million and $6.9 million, respectively, of revenue related to performance obligations satisfied in prior periods.

In the first quarter of 2026, the Company entered into new agreements with payors that resulted in an increase of revenue related to expected payments on the reprocessing of claims through the date of the agreements, including claims from the year ended December 31, 2025. Revenue related to services performed during the year ended December 31, 2025 that were covered by these payors contributed slightly less than half of the $19.6 million in revenue related to performance obligations satisfied in prior periods for the nine months ended September 30, 2026.

Deferred revenue

Deferred revenue, which is a contract liability, consists of billings or cash received for services in advance of revenue recognition and is recognized as revenue when all the Company's revenue recognition criteria are met. As of September 30, 2026 and December 31, 2025, the deferred revenue balance was $1.9 million and $3.5 million, respectively. Primarily all deferred revenue as of September 30, 2026 was classified as current. As of December 31, 2025, $1.3 million of the deferred revenue balance was classified as non-current and $2.2 million was classified as current. For the three months ended September 30, 2026 and 2025, the Company recognized revenue from deferred revenue at the beginning of the period of $1.0 million and $0.6 million, respectively, and for the nine months ended September 30, 2026 and 2025, recognized revenue from deferred revenue at the beginning of the period of $2.9 million and $2.1 million, respectively.

Comprehensive Income (Loss)

The components of comprehensive income (loss) consist of net income and changes in fair value due to instrument-specific credit risk on the term loan. During the three and nine months ended September 30, 2025, the Company did not have any other comprehensive income (loss) and, therefore, the net income and comprehensive income (loss) were the same.

Segment information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and assess performance. The Company's Chief Executive Officer is the Company's CODM. The CODM reviews financial information presented on a company-wide basis to make operating decisions, allocate resources, and evaluate financial performance. As such, the Company has determined that it is managed as one operating segment and one reportable segment.

Key areas of focus for the CODM when making decisions on the allocations of resources are cash used in operations as well as revenue, gross margin and net income and comprehensive income; this information is used by the CODM and compared to budgeted amounts in order for the CODM to make decisions on how resources should be allocated across the organization. The Company's segment measure of profitability is net income and comprehensive income.

Segment revenues are predominantly derived from prenatal and oncology testing results, leveraging the Company's diagnostic technology platform, which are delivered to patients, who are the Company's customers. The Company's customers are predominantly located in the United States. Substantially all of the Company's long-lived assets are located in the United States. The Company's technology platform is applied similarly in both the prenatal and oncology settings.

The financial statements provide the CODM with a view of the Company's financial condition as it pertains to the Company's assets, liabilities and expenses. Significant expense categories align with the expense categories and amounts presented on the statements of operations and comprehensive income (loss).

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides for a practical expedient to estimate credit losses related to accounts receivable and contract assets from revenue contracts accounted for in accordance with ASC 606 using information as of the balance sheet date. The Company adopted this ASU effective for the Company's fiscal year beginning January 1, 2026 and it did not have a material impact on the Company's financial statements and related disclosures.

Recently Issued Accounting Pronouncements not yet Adopted

In November 2024 and January 2025, the FASB issued ASU 2024-03 and ASU 2025-01, respectively, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosure in the notes to the financial statements of specified information about an entity's certain costs and expenses. The amendments to the standards are effective for the Company's fiscal year beginning January 1, 2027 and interim periods beginning January 1, 2028. Early adoption is permitted. The amendments should be applied either prospectively to the financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating this ASU to determine the impact it may have on its financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which clarifies and expands the existing guidance on capitalizing implementation costs for cloud computing arrangements that are service contracts. The new guidance is effective for public business entities for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact it may have on its financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-07, *Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*, which amends the guidance under ASC Topic 815 (Derivatives and Hedging) and ASC Topic 606 (Revenue from Contracts with Customers). The ASU (i) refines the scope for derivative accounting to exclude certain non-exchange-traded contracts whose underlyings are based on the operations or activities specific to one of the parties to the contract, and (ii) provides clarification on how to account for share-based noncash consideration from customers (such as equity instruments, warrants, or shares) received in exchange for the transfer of goods or services under a revenue contract. The new guidance is effective for public business entities for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating this ASU to determine the impact it may have on its financial statements and related disclosures.

(3) Fair Value Measurements

The fair value measurements of assets and liabilities that are measured at fair value on a recurring basis consisted of the following as of September 30, 2026 (in thousands):

	As of September 30, 2026			
	Level 1	Level 2	Level 3	Total
Current assets:				
Money market funds	$ 448,568	$ -	$ -	$ 448,568
Total assets	$ 448,568	$ -	$ -	$ 448,568
Liabilities:				
Term loan	$ -	$ -	$ 88,982	$ 88,982
Total liabilities	$ -	$ -	$ 88,982	$ 88,982

The fair value measurements of assets and liabilities that are measured at fair value on a recurring basis consisted of the following as of December 31, 2025 (in thousands):

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Current assets:				
Money market funds	$ 359,813	$ -	$ -	$ 359,813
Total assets	$ 359,813	$ -	$ -	$ 359,813
Liabilities:				
Common stock warrants	$ -	$ 9,282	$ -	$ 9,282
Term loan	-	-	57,226	57,226
Total liabilities	$ -	$ 9,282	$ 57,226	$ 66,508

Level 3 instruments consist of the Company's term loan due to the lack of relevant observable market data for the respective fair value inputs of the instrument.

In August 2024, the Company entered into a term loan agreement which the Company elected to account for using the fair value option. As such, the fair value of the debt is calculated by using the probability weighting of the present value of settlement scenarios (See Note 7).

The significant assumptions used in preparing the income approach model for valuing the term loan as of September 30, 2026 and December 31, 2025, are as follows:

	September 30, 2026	December 31, 2025
Discount rate	7.40 %	7.10 %
Annual interest rate	8.00 %	8.00 %
Expected term (years) – Scenario 1	3.5	4.25
Expected term (years) – Scenario 2	4.85	5.6

The fair values of the Class A common stock warrants were measured using an option pricing model.

The common stock warrant liability was reclassified to equity upon the exercise of the underlying warrants; as such, the common stock warrant liability fair value was determined as of the date of exercise, on May 6, 2026 (see Note 7). The fair value of the warrants on the date of exercise is equal to the intrinsic value, as the expected term is reduced to zero. The intrinsic value was determined based on the closing price of the

BillionToOne, Inc.
Notes to Unaudited Interim Financial Statements

Company's Class A common stock on the date of exercise of $81.40, less the exercise price of each of the warrants of $2.80 and $10.92.

The significant assumptions used in preparing the option pricing model for valuing the common stock warrant liability as of December 31, 2025 are as follows:

	December 31, 2025
Exercise price	$2.80 – $10.92
Volatility	53.5 %
Expected term (years)	0.3
Risk-free rate	3.63 %
Dividend yield	- %

The redeemable convertible preferred stock warrant liability was reclassified to equity upon the exercise of the underlying warrants; as such, the redeemable convertible preferred stock warrant liability fair value was determined as of the date of exercise, on November 14, 2025.

The following tables present a summary of the changes in the fair value of the Company's Level 3 financial instruments (in thousands):

	Term Loan
Balance at December 31, 2025	$ 57,226
Additions	30,000
Adjustments to fair value	2,779
Balance at March 31, 2026	90,005
Adjustments to fair value	1,026
Balance at June 30, 2026	91,031
Adjustments to fair value	(2,049)
Balance at September 30, 2026	$ 88,982

	Common Stock Warrants	Redeemable Convertible Preferred Stock Warrants	Term Loan
Balance at December 31, 2024	$ 2,533	$ 230	$ 51,481
Adjustments to fair value	(58)	2	1,797
Balance at March 31, 2025	2,475	232	53,278
Adjustments to fair value	(5)	19	(1,206)
Balance at June 30, 2025	$ 2,470	$ 251	$ 52,072
Adjustments to fair value	1,472	155	2,914
Balance at September 30, 2025	$ 3,942	$ 406	$ 54,986

For the three and nine months ended September 30, 2026, the Company recognized gains and losses related to the change in the fair value of the term loan as follows: (i) the portion attributable to instrument-specific credit risk, a loss of $1.1 million, was recognized in other comprehensive loss, and (ii) the remaining portion, a gain of $3.1 million and a loss of $0.7 million, respectively, were recognized in earnings within change in fair value of term loan in the statements of operations and comprehensive income. Amounts recognized in other comprehensive loss are accumulated in accumulated other comprehensive loss. Upon derecognition of the term loan, the cumulative amount of gains and losses attributable to instrument-specific credit risk will be reclassified

from accumulated other comprehensive loss to earnings. The change attributable to instrument-specific credit risk reflects an improvement in the Company's credit profile, including its sustained profitability, revenue growth and strong liquidity, which, holding market interest rates constant, reduced the discount rate applied to the term loan and increased its fair value. For the three and nine months ended September 30, 2025, the Company recognized losses related to the change in the fair value of the term loan in change in fair value of term loan in the statements of operations and comprehensive income.

The common stock warrants were exercised in the second quarter of 2026. As a result, the Company did not recognize any change in the fair value of the common stock warrant liability during the three months ended September 30, 2026. For the three and nine months ended September 30, 2025 and the nine months ended September 30, 2026, the Company recognized gains and losses related to the change in the fair value of the common stock warrant liability in other income (expense), net in the statements of operations and comprehensive income.

For the three and nine months ended September 30, 2025, the Company recognized losses related to the change in convertible preferred stock warrant liability in other income (expense), net in the statements of operations and comprehensive income.

The common stock warrant liability is recorded within common stock warrant liability on the balance sheet as of December 31, 2025. The term loan is recorded within long-term debt on the balance sheets as of September 30, 2026 and December 31, 2025.

During the three and nine months ended September 30, 2026 and 2025, the Company had no transfers of financial assets or liabilities between different levels of the fair value hierarchy.

(4) Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Accrued professional services	$ 2,500	$ 2,591
Accrued inventory purchases	5,643	995
Accrued fixed asset purchases	1,644	1,006
Accrued property and other taxes	185	188
Accrued information technology purchases	769	462
Accrued legal expense	1,194	968
Accrued phlebotomy expense	406	200
Accrued insurance expense	128	—
Accrued rent	189	174
Accrued clinical expense	607	35
Other	1,753	628
Accrued expenses and other current liabilities	$ 15,018	$ 7,247

(5) Commitments and Contingencies

Legal Proceedings

From time to time, the Company is party to certain claims in the ordinary course of business. The Company, in conjunction with its legal counsel, assesses the need to record a liability for litigation or contingencies. A liability is recorded when and if it is determined that such a liability for litigation or contingencies is both probable and the amount can be reasonably estimated. The Company believes that it is not presently a party to any litigation, other than as described below, the outcome of which, if determined adversely, would individually or in the

aggregate be expected to have a material and adverse effect on the business, operating results, cash flows, or financial position. Legal fees are expensed in the period in which they are incurred.

Illumina, Inc. v. BillionToOne, Inc.

On May 7, 2026, Illumina, Inc. filed a lawsuit in the U.S. District Court for the District of Delaware alleging that the Company's UNITY test infringes U.S. Patent Nos. 10,612,096, 12,139,760 and 12,435,373. The Company maintains that Illumina's allegations are without merit, and is vigorously defending itself against this claim. On October 23, 2026, the Company filed a motion to dismiss the lawsuit. The Company does not believe that a loss is probable or reasonably estimable related to this matter. For more information regarding risks relating to our intellectual property, see Part I, Item 1A, 'Risk Factors,' of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Indemnification Agreements

The Company has entered into indemnification agreements with its directors and officers against any liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual.

Additionally, in the ordinary course of business, the Company enters into agreements of varying scope and terms pursuant to which it agrees to indemnify customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. As of September 30, 2026 and December 31, 2025, no demands have been made upon the Company to provide indemnification under such agreements, and there are no claims that the Company is aware of that could have a material adverse effect on its financial position, results of operations, or cash flows. Accordingly, the Company has no liabilities recorded for these agreements as of September 30, 2026 and December 31, 2025.

(6) Leases

Operating Leases

In June 2026, the Company entered into a lease agreement for office and laboratory space in Union City, CA. The lease is expected to commence in the second half of 2027. The lease agreement provides for a rent abatement period of twelve months following the commencement date, during which no base rent will be due. Following the abatement period, base rent will commence at an initial annual rate of $3.6 million per year with annual increases of 3%. The lease has a term of twelve years from the commencement date. The agreement also includes a ten-year extension option that can be exercised by the Company. As part of the lease agreement, the Company was required to remit to the landlord $0.4 million in respect of a security deposit and $0.3 million in respect of the first month's rent payment.

In September 2026, the Company entered into an amendment to the lease for its laboratory facility under construction in Austin, Texas. The amendment increased the rentable square footage from approximately 220,000 to approximately 229,000 square feet. The lease commencement date continues to be expected to occur prior to September 30, 2027. Rent for the first 12 months following the commencement date is abated. Thereafter, initial annual base rent, based on the increased square footage, will be approximately $12.8 million, subject to annual escalations of 3%. As of September 30, 2026, the lease had not commenced, and accordingly the Company has not recorded a right-of-use asset or lease liability related to this lease.

(7) Long-term Debt

Oberland Note Purchase Agreement

In August 2024, the Company entered into a note purchase agreement (the "2024 Notes") with BWCB SA LLC, an entity affiliated with Oberland Capital Management, LLC ("Oberland Capital"), which provided the Company with up to four tranches of capital advances totaling up to $140.0 million. The advanced principal accrues

interest at a rate of 8.0% per annum. The first tranche of $50.0 million was advanced on August 5, 2024, with a Maturity Date on the seventh anniversary of the first purchase date (August 5, 2031). The first tranche requires interest-only payments through August 5, 2031 and a lump sum payment due on August 5, 2031.

The second tranche of up to $35.0 million in principal was available at the Company's option at any time prior to September 30, 2025 provided that the trailing six-month worldwide net revenue of the Company is at least $80.0 million. The Company did not elect the option to draw on the second tranche.

The Company was required to sell the third tranche of notes in the amount of $30.0 million prior to March 31, 2026 as the Company achieved the revenue and gross margin thresholds triggering this obligation during the first half of fiscal 2025. The third tranche of $30.0 million was advanced on March 31, 2026, with a Maturity Date on the seventh anniversary of the initial purchase date (August 5, 2031). The third tranche requires interest-only payments through August 5, 2031 and a lump sum payment due on August 5, 2031. The thresholds triggering this tranche were trailing six-month revenue of at least $112.5 million and a trailing six-month gross margin of at least 45%. Gross Margin is defined as (I) net revenue minus cost of goods sold divided by (II) net revenue, expressed as a percentage. The terms of the third tranche are identical to those of the first $50.0 million tranche. Lastly, the fourth tranche of up to $25.0 million in principal was made available to the Company at the mutual agreement of the parties at any time prior to March 31, 2026. The Company did not elect the option to draw on the fourth tranche.

The Company has the option at any time to prepay all of the then-outstanding notes, and Oberland Capital has the option to redeem the notes upon (i) a change in control of the Company, (ii) an event of default, or (iii) the maturity date. The redemption price of the notes shall equal to the following: (1) 130% of principal amounts of notes if the payment is made within 24 months of issuance; (2)145% of principal amounts of notes if the payment is made within 36 months of issuance; (3) If the payment is made within 48 months, an amount that would generate an internal rate of return ("IRR") of 12.25%; (4) if the payment is made within 60 months of the issuance, an amount that would generate an IRR of 11.75%; (5) if the payment is made thereafter but before maturity, an amount that would generate an IRR of 11.25%; and (6) if the payment is made at maturity, an amount that would generate an IRR of 10.0%.

The Company is required to maintain trailing six-month net revenue based on a schedule that gradually increases up to $120.0 million as of the year ending December 31, 2026.

Period	Minimum Trailing Six-Month Net Revenue Threshold (in millions)
Q1 2026	$ 87.2
Q2 2026	$ 101.8
Q3 2026	$ 117.2
Q4 2026	$ 120.0
Thereafter	$ 120.0

In addition, the Company is required to maintain a trailing six-month Gross Margin of not less than 30%. The agreement also contains a revenue participation provision, under which, for any fiscal quarter, 0.01% of net revenue for such fiscal quarter (up to $100.0 million of net revenue for each fiscal year) per each $1.0 million principal amount of the notes will be payable to Oberland Capital. Amounts paid under the revenue participation provision during the three and nine months ended September 30, 2026 and 2025 were interest payments on the debt. The revenue participation payments are additional financing costs of the loan and are included in the computation of the internal rate of return measures described above and do not reduce principal on the debt. The Company did not make any revenue participation payments during the three months ended September 30, 2026 and 2025. During the nine months ended September 30, 2026 and 2025, the Company made revenue participation payments of $0.8 million and $0.5 million, respectively.

The Company elected to account for the 2024 Notes using the fair value option and changes in fair value related to the 2024 Notes are recorded in change in fair value of term loan on the Company's statements of operations and comprehensive income. Changes in fair value caused by instrument-specific credit risk are presented separately in other comprehensive income. The Company also elected to present interest incurred on the 2024 Notes in the change in fair value of the term loan; interest expense under the 2024 Notes was $1.6 million and $1.0 million for the three months ended September 30, 2026 and 2025, respectively, and $4.3 million and $3.0 million for the nine months ended September 30, 2026 and 2025, respectively. Total debt outstanding as of September 30, 2026 and December 31, 2025 was $89.0 million and $57.2 million, respectively, and included within long-term debt on the Company's balance sheets. Future principal payments of the Company's long-term debt as of September 30, 2026 and December 31, 2025 are $80.0 million and $50.0 million, respectively, and are due during the year ending December 31, 2031. The term loan advances are secured by a lien on the Company's assets.

Western Alliance Bank Debt

In October 2021, the Company entered into a loan and security agreement (the "2021 LSA") with Western Alliance Bank ("WAB"), which provided the Company with three tranches of capital advances totaling $15.0 million. In July 2022, the Company amended the 2021 LSA, such that WAB made four tranches of capital advances available to the Company for an aggregate amount up to $35.0 million (the "2022 LSA Amendment"). During August 2024, the Company elected to prepay the outstanding amount of the term loans of $35.0 million in principal and the $1.5 million exit fee that became payable upon early loan payoff.

Common Stock Warrants

In connection with the 2021 LSA, the Company issued to Western Alliance Bank ("WAB") warrants to purchase shares of the Company's common stock at an exercise price of $2.80 per share. The number of underlying shares of the warrants was initially 53,571 and was increased to 80,357 upon the funding of the loans in January 2022. The warrants were to expire if unexercised on October 12, 2031. Upon the occurrence of an acquisition of the Company, if the acquiror shall not have assumed the warrants, WAB shall have the right to put the warrants back to the Company for cash equal to the greater of (x) $450,000 or (y) the value of the aggregate consideration payable to WAB had WAB exercised the warrants immediately prior to exercising such put right.

In connection with the 2022 LSA Amendment, the Company issued up to 41,209 warrants for common stock at an exercise price of $10.92 per share to WAB, 30,907 warrants were exercisable upon execution of the agreement; the remaining warrants became exercisable as the Company made additional draws on the 2022 LSA Amendment. As of December 31, 2025 all of the warrants were exercisable. The warrants were to expire if unexercised on July 22, 2032. Upon the occurrence of an acquisition of the Company, if the acquiror shall not have assumed the warrants, WAB shall have the right to put the warrants back to the Company for cash equal to the greater of (x) $450,000 or (y) the value of the aggregate consideration payable to WAB had WAB exercised the warrants immediately prior to exercise such put right.

All the warrants issued to WAB were puttable warrants and thus were liability classified. The warrants were initially recognized at fair value with any subsequent changes in fair value to be recorded in other income (expense), net in the statements of operations and comprehensive income (See Note 3).

In connection with the Company's IPO, WAB entered into a lock-up agreement with the Company, pursuant to which WAB may not sell, transfer, or otherwise dispose of the underlying shares of Class A common stock for a period of 180 days following the date that the Company filed its final prospectus. Following the expiration of the lock-up agreement, in May 2026, the Class A common stock warrants were net exercised, resulting in the issuance of 113,116 shares of Class A common stock, with 8,450 shares withheld to cover the aggregate exercise price.

(8) Common Stock

As of September 30, 2026 and December 31, 2025, the Company's Certificate of Incorporation, as amended, authorized the Company to issue 800,000,000 shares of Class A common stock, par value $0.00001 per share, and 10,000,000 shares of Class B Common Stock, par value $0.00001 per share. Total common stock outstanding as of September 30, 2026 and December 31, 2025 was 43,128,349 and 41,252,105 shares of Class A common stock, respectively, and 4,502,650 and 4,552,650 shares of Class B common stock, respectively.

The holders of Class A common stock are entitled to vote on all corporate matters at a ratio of one vote per share together with the holders of Class B common stock. The holders of Class B common stock are entitled to vote on all corporate matters at a ratio of 15 votes per share together with the holders of Class A common stock. The holders of Class A common stock and Class B common stock are also entitled to receive dividends whenever funds are legally available and when and if declared by the Board of Directors, subject to the prior rights of holders of all series of stock outstanding. As of September 30, 2026 and December 31, 2025, no dividends had been declared or paid.

All of the outstanding shares of the Company's Class B common stock will convert automatically on a one-to-one basis into shares of the Company's Class A common stock upon the earliest of (i) 7 years from the date of filing the Post-IPO Certificate of Incorporation, and (ii) the date specified by a vote of the holders of Class B common stock representing a majority of the outstanding shares of Class B common stock. In addition, each share of Class B common stock held by a Co-Founder and such Co-Founder's permitted transferees will automatically convert into one share of Class A common stock upon the earlier of (i) the date that is between 90 days and 270 days, as determined by the Board of Directors, after the death or incapacitation of such Co-Founder or (ii) the date that is between 61 and 180 days, as determined by the Board of Directors, after the date on which such Co-Founder is no longer serving as an officer or director of the Company.

During the nine months ended September 30, 2026, 50,000 shares of Class B common stock were converted into an equivalent number of shares of Class A common stock at the option of the holder. The conversion did not impact the total number of shares of common stock outstanding.

The Company is required to reserve and keep available out of its authorized but unissued shares of Class A common stock such a number of shares sufficient to effect the conversion of all outstanding shares of common stock warrants, all outstanding shares of Class B common stock, options granted under the Company's 2018 Stock Plan and 2025 Equity Incentive Plan, shares available for grant under the Company's 2025 Equity Incentive Plan, restricted stock units outstanding and shares available for issuance under the 2025 Employee Stock Purchase Plan.

The amount of such shares of the Company's Class A common stock reserved for these purposes at September 30, 2026 is as follows:

Outstanding shares of Class B common stock	4,502,650
Options to purchase common stock	8,071,301
Restricted stock units outstanding	236,120
Shares available for future issuance under the Employee Stock Purchase Plan	548,880
Shares available for future grants	2,921,770
Total common stock reserved	16,280,721

Stock Plan

In December 2018, the Company adopted the 2018 Stock Plan (the "2018 Plan"). The 2018 Plan authorizes the granting of stock options upon the approval of the Company's Board of Directors, to employees and consultants providing services to the Company. Stock options granted under the 2018 Plan generally expire within 10 years from the date of grant and are generally issued at the fair value of the underlying shares of common stock on the date of grant as determined by the Company's Board of Directors. The shares subject to each option typically allow for 25% of the shares to vest and become exercisable on the first anniversary of the vesting

commencement date and thereafter, the remaining 75% will vest and become exercisable in 36 equal monthly installments. The Company may include other vesting terms from time to time.

Incentive and non-statutory stock options may be granted with exercise prices not less than 100% of the estimated fair value of the common stock on the date of grant.

In connection with the IPO, the Company adopted the 2025 Equity Incentive Plan (the “2025 Plan”), which became effective in October 2025, although no awards could be granted under the 2025 Plan until the IPO date. The 2018 Plan was terminated upon the completion of the IPO; however, awards outstanding under the 2018 Plan will remain outstanding and will continue to be governed by their existing terms. On the effective date of the 2025 Plan, the maximum number of shares of Class A common stock authorized for issuance was 3,297,972 shares of Class A common stock, plus up to 10,034,626 shares under the 2018 Plan that (i) remain available for issuance on the IPO date and (ii) that are outstanding on the IPO date and that are subsequently forfeited, expire, are reacquired by the Company or lapse unexercised, subject to annual adjustment on the first day of each fiscal year, beginning January 1, 2027, through January 1, 2035. The 2025 Plan authorizes the granting of stock options and restricted stock units, among other types of awards, to employees and consultants providing services to the Company. Stock options granted under the 2025 Plan generally expire within 10 years from the date of grant. Stock options and restricted stock units are issued based on the fair value of the underlying shares of Class A common stock on the date of grant. The stock options and restricted stock units vest in 8 semi-annual installments each equal to 12.5% of the total shares under the grant or one initial installment of 25% of the total shares under the grant on the first anniversary of the grant date and, thereafter, in 6 semi-annual installments equal to 12.5% of the total shares under the grant. The Company may include other vesting terms from time to time.

Incentive and non-statutory stock options may be granted with exercise prices not less than 100% of the fair value of the Class A common stock on the date of grant, as determined by the Board of Directors. As of September 30, 2026 and December 31, 2025, the Company had authorized up to 3,557,015 and 3,390,306 shares of Class A common stock reserved for issuance under the 2025 Plan, respectively.

In October 2025, the Company adopted the 2025 Employee Stock Purchase Plan (the “2025 ESPP”), which became effective in October 2025. As of September 30, 2026, the number of shares of Class A common stock available for issuance under the 2025 ESPP is 548,880 shares of Class A common stock, subject to annual adjustment on the first day of each fiscal year, beginning January 1, 2027, through January 1, 2035. No more than 8,400,000 shares of Class A common stock may be issued under the 2025 ESPP. Each participant may purchase up to the number of shares determined by the Board of Directors on any purchase date, not to exceed 7,500 shares. The price of each share of Class A common stock purchased under the 2025 ESPP will not be less than 85% of the lower of the fair market value per share of Class A common stock on the first day of the applicable offering period or the fair market value per share of Class A common stock on the purchase date. The 2025 ESPP provides for separate six-month offering periods beginning on June 22 and December 22 of each year.

The grant date fair value of the stock purchase rights granted under the 2025 ESPP was estimated on the first day of each offering period using the Black-Scholes option pricing model. The valuation methodology used was substantially consistent with that used to value stock options with the exception of the expected term, which was based on the term of each offering period, and related impacts on expected volatility and risk-free interest rate.

Stock-based Compensation

Stock Option Activity

The weighted average assumptions used to calculate the fair value of option grants issued under the 2025 Plan and 2018 Plan during the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Dividend yield	- %	- %	- %	- %
Risk-free interest rate	4.9 %	3.9 %	4.3 %	4.2 %
Expected volatility	72 %	74 %	74 %	73 %
Expected term (in years)	6.19	6.02	6.15	6.28

A summary of the Company's stock option activity and related information is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price Per Share	Aggregate Intrinsic Value (in thousands)
Balance as of December 31, 2025	9,552,013	$ 12.96	$ 657,915
Granted	398,106	$ 85.24	
Exercised	(1,705,973)	$ 7.22	
Forfeited or expired	(172,845)	$ 21.97	
Balance as of September 30, 2026	8,071,301	$ 17.71	$ 716,179
Vested and exercisable as of September 30, 2026	4,465,456	$ 9.54	$ 432,725
Vested and expected to vest as of September 30, 2026	8,071,301	$ 17.71	$ 716,179

As of September 30, 2026, there was approximately $82.0 million of total unrecognized compensation cost related to unvested options, which is expected to be recognized over the weighted average period of 2.4 years.

Restricted Stock Unit Activity

A summary of the Company's restricted stock unit activity and related information is as follows:

	Shares	Weighted-Average Grant Date Fair Value (per share)
Nonvested as of January 1, 2026	33,332	$ 108.94
Issued	219,034	89.12
Vested	(11,263)	76.00
Forfeited	(4,983)	84.83
Nonvested as of September 30, 2026	236,120	$ 92.55

As of September 30, 2026, there was approximately $19.5 million of total unrecognized compensation cost related to outstanding restricted stock units, which is expected to be recognized over the weighted average period of 3.2 years.

During the three and nine months ended September 30, 2026, the Company withheld 4,108 shares of common stock upon the vesting of RSUs to satisfy employee tax withholding obligations. The Company remitted cash of $0.4 million to the relevant tax authorities, which is presented within financing activities in the statements of cash flows.

There was no restricted stock unit activity during the three and nine months ended September 30, 2025.

ESPP Activity

No stock purchase rights were granted under the 2025 ESPP during the three months ended September 30, 2026. The weighted average assumptions used to calculate the fair value of the stock purchase rights granted under the 2025 ESPP for the nine months ended September 30, 2026 were as follows:

	Nine Months Ended September 30,
	2026
Dividend yield	- %
Risk-free interest rate	4.0 %
Expected volatility	66 %
Expected term (in years)	0.50

As of September 30, 2026, there was approximately $0.6 million of total unrecognized compensation cost related to stock purchase rights granted under the 2025 ESPP, which is expected to be recognized over the weighted average period of 0.2 years.

Stock-Based Compensation Expense

The table below shows stock-based compensation expense included in the statements of operations and comprehensive income (loss) for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of revenue	$ 921	$ 401	$ 2,342	$ 1,139
Research and development	1,879	971	4,988	2,542
Selling, general and administrative	6,903	3,103	17,100	5,900
Total stock-based compensation	$ 9,703	$ 4,475	$ 24,430	$ 9,581

(9) Income Taxes

Accounting for income taxes for interim periods generally requires the provision for income taxes to be determined by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss before income taxes, adjusted for discrete items, if any, for the reporting period. The Company updates its estimate of the annual effective tax rate each quarter and makes a cumulative adjustment in such period. The Company recorded income tax expense of $1.3 thousand and income tax benefit of $129.0 thousand for the three months ended September 30, 2026 and 2025, respectively, and the Company recorded income tax expense of $3.8 thousand and income tax benefit of $15.0 thousand for the nine months ended September 30, 2026 and 2025, respectively. Income tax expense (benefit) consists primarily of income taxes for U.S. federal and the states in which the Company conducts business and the excess tax benefit from the stock based compensation. Due to the Company’s history of losses in the United States, a full valuation allowance on substantially all of the Company’s deferred tax assets, including net operating loss carryforwards, research and development tax credits, and other book versus tax differences, was maintained. Given the Company's current earnings and anticipated future earnings, the Company believes that there is a reasonable possibility that sufficient positive evidence may become available in the near term to allow the Company to reach a conclusion that a significant portion of the valuation allowance will no longer be needed. Any release of the valuation allowance will result in a material benefit recognized in the quarter of release. A release of the valuation allowance would result in the recognition of an increase in deferred tax assets and an income tax benefit in the period in which the release occurs, although the exact timing and amount of the release is subject to change based on numerous factors, including projections of future taxable income, which continues to be assessed based on available information each reporting period.

(10) Employee Benefit Plan

The Company sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to a maximum annual amount set by the Internal Revenue Service. Employer contributions to the plan are discretionary. During the three months ended September 30, 2026 and 2025, the Company contributed $1.3 million and $0.9 million to this plan, respectively, and during the nine months ended September 30, 2026 and 2025, the Company contributed $3.6 million and $2.6 million to this plan, respectively.

(11) Related Party Transactions

In June 2025, the Company granted stock options to certain founders and executive officers under the Company's 2018 Plan. These grants were approved by the Board of Directors.

There were no material related party transactions during the three and nine months ended September 30, 2026.

(12) Net Income Per Share

The Company applies the two-class method when computing net income (loss) per share attributable to common stockholders when shares meet the definition of participating securities. The two-class method determines net income (loss) per share of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires net income (loss) available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The holders of the Company's redeemable convertible preferred stock were entitled to dividends in preference to common stockholders, if declared. Such dividends were not cumulative. Any remaining earnings would be distributed among the holders of redeemable convertible preferred stock and common stock pro rata on an as-converted basis. The holders of the Company's redeemable convertible preferred stock were not contractually obligated to participate in the Company's losses.

Basic net income (loss) per share is computed by dividing the net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. The dilutive effect of potentially dilutive common shares is reflected in diluted earnings per share by application of the if-converted method for the Company's outstanding preferred stock, the treasury stock method for the Company's other potentially dilutive securities, and is ultimately applied by sequencing instruments beginning with those that are more dilutive. For periods in which the Company reports net losses, diluted net income (loss) per common share is the same as basic net income (loss) per common share as all potentially dilutive securities are anti-dilutive.

BillionToOne, Inc.
Notes to Unaudited Interim Financial Statements

The following table sets forth the computation of basic and dilutive net income (loss) per share attributable to common stockholders for the three and nine months ended September 30, 2026 and 2025 (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic net income per share:				
Numerator:				
Net income	$ 17,391	$ 5,711	$ 43,415	$ 1,477
Less: Net income attributable to participating securities	—	(4,204)	—	(1,089)
Net income attributable to common stockholders	17,391	1,507	43,415	388
Denominator:				
Weighted-average shares used in calculating net income per share, basic	47,271,383	10,429,583	46,540,721	10,376,253
Net income per share, basic	$ 0.37	$ 0.14	$ 0.93	$ 0.04
Diluted net income per share:				
Numerator:				
Net income attributable to common stockholders	$ 17,391	$ 1,507	$ 43,415	$ 388
Denominator:				
Weighted-average shares used in calculating net income per share, basic	47,271,383	10,429,583	46,540,721	10,376,253
Effect of dilutive securities:				
Outstanding stock options and other	6,460,775	4,336,722	7,150,718	3,940,885
Warrants to purchase redeemable convertible preferred stock	—	8,798	—	8,616
Warrants to purchase common stock	—	98,294	52,298	93,366
Restricted stock awards in exchange for non-recourse note	—	698,552	—	698,245
Weighted-average shares used in calculating net income per share, diluted	53,732,158	15,571,949	53,743,737	15,117,365
Net income per share, diluted	$ 0.32	$ 0.10	$ 0.81	$ 0.03

Potentially dilutive securities that were not included in the diluted per share calculations because they would be anti-dilutive were as follows for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Redeemable convertible preferred stock	-	29,084,235	-	29,084,235
Outstanding stock options	-	-	4,625	-

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

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited financial statements and the related notes included in Part 1, Item 1 of this Quarterly Report. The following discussion and analysis as well as other parts of this Quarterly Report contains forward-looking statements that involve risks, uncertainties and assumptions including information with respect to our plans and strategy for our business. Our actual results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those discussed under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025. See also the section titled "Special Note Regarding Forward-Looking Statements" in this Quarterly Report. Unless context requires otherwise, references to "we," "us," "our," "BillionToOne," or "the Company" here refer to BillionToOne, Inc.

Overview

BillionToOne is transforming healthcare by redefining molecular diagnostics. Our revolutionary single-molecule next-generation sequencing (smNGS) platform achieves what was once thought impossible—detecting and precisely quantifying genetic targets with single-molecule sensitivity. At the heart of this technological breakthrough lies our patented quantitative counting templates (QCTs), enabling measurements at the physical limit of detection—the single DNA molecule. This leap forward addresses a fundamental limitation in healthcare—the inability to detect sparse but clinically crucial disease signals in cell-free DNA (cfDNA).

Founded with the mission to remove the fear of the unknown through powerful and accessible smNGS-based diagnostics, we have swiftly transitioned from an R&D-focused company to a proven commercial organization. Since launching UNITY, our first prenatal product, in 2019, we have expanded our offerings first within prenatal genetics, and then to oncology diagnostics. To date, we have processed almost two million smNGS-based tests. Today, we test more than 1 in 10 babies during pregnancy in the United States, a metric that is continuing to increase rapidly every year. UNITY is the first single-gene non-invasive prenatal test (sgNIPT) that uses cfDNA to provide fetal risk assessment for recessive conditions such as sickle cell disease (SCD) and cystic fibrosis (CF) without requiring a paternal sample or invasive procedures such as amniocentesis. Since then, we have expanded our UNITY offering to cover comprehensive prenatal genetic needs from a single maternal blood draw. In 2024, our unique fetal antigen tests resulted in national medical guideline changes, enabling us to position our tests as "the new standard in prenatal care," further contributing to both test volume and average selling price (ASP) growth, as we leveraged the guideline changes to contract with more insurance companies. By detecting and identifying an extensive array of severe but actionable genetic disorders during pregnancy, we enable substantially better outcomes for newborns via earlier therapeutic and other clinical interventions.

In May 2026, we announced the launch of Unity Confirm™, a circulating fetal cell-based, non-invasive confirmation assay designed to enable confirmation of high-risk screening results. The new assay isolates intact circulating fetal cells from a simple maternal blood draw using BillionToOne's Fetal Cell Capture™ technology. With the assay, clinicians can confirm a high-risk result from a maternal blood draw without putting the pregnancy at risk from invasive methods such as chorionic villus sampling (CVS) or amniocentesis. In August 2026, we announced the upcoming expansion of the Unity Fetal Risk Screen with the addition of a 130-gene panel, which is currently the largest single-gene NIPT panel available.

In the oncology setting, ultrasensitive tests with real-time insights are required to effectively detect, diagnose, and treat patients with a diverse range of mutations and solid tumor types across the cancer care continuum. In 2023, we successfully leveraged our smNGS platform to launch two complementary pan-cancer liquid biopsy tests – Northstar Select® and Northstar Response®. Our Northstar Select test is used to guide therapy selection and has been shown to detect over 50% more actionable solid tumor mutations than conventional liquid biopsies. Based on our knowledge of all widely available tests, Northstar Response is the only methylation-based assay that quantifies the amount of cancer (tumor burden) at the single molecule level without requiring a tissue biopsy, enabling real-time monitoring of patient response to therapy with unprecedented precision. Our Northstar tests give physicians extraordinary visibility into cancer profile and treatment response, enabling more informed and earlier treatment decisions that can fundamentally alter patient outcomes. We are actively developing additional diagnostic products to address critical needs across the cancer care continuum. For example, in January 2026, we launched Northstar PGx™, in February 2026, we launched Northstar Select

CH™, and in August 2026 we announced the launch of Northstar Origin™. Northstar PGx and Northstar Select CH are add-on applications for Northstar Select, and expand the Northstar platform beyond genomic profiling to address chemotherapy safety (PGx) and clonal hematopoiesis (CH) — two critical decision points in selecting the right therapy for patients. Northstar Origin is an add-on tissue-of-origin feature for our Northstar Select test that can benefit patients with unknown or uncertain diagnoses. Our current development efforts focus on MRD detection, leveraging our platform's exceptional sensitivity to identify trace amounts of tumor DNA following curative-intent surgery in earlier stage cancers. We are developing a tissue-free, pan-cancer MRD test, which we expect to be commercially available in December of 2026.

Our business momentum is evidenced by our rapidly scaling commercial success and improving operational efficiency. Of the almost two million smNGS-based tests that we have processed since our initial launch, over 40% of them, or approximately 770,000 tests, were processed in the 12 months ended September 30, 2026.

Our key performance metrics

Our revenue is driven by selling and performing molecular diagnostic tests ordered by physicians and other providers. We generally bill the patients' insurance carrier, Medicaid, Medicare, the patient, or a combination upon delivery of the test results.

Our revenue is the function of two inputs: the number of tests ordered and the ASP that we can achieve through reimbursement. There is a flywheel effect between these two factors. The more tests that we process, the easier it becomes for us to contract with third-party payors and become an in-network provider. This increases our ASP for our tests, as the denial rate of our tests significantly decreases once we become an in-network provider. As we become an in-network provider, it becomes easier for our sales representatives to convince ordering providers to use our tests. We believe that the combined effects of ASP increases, cost of goods sold (COGS) decreases, and improved operational efficiency have been the main drivers of our ability to generate net income in recent periods.

Our total test volume, which represents the number of billable tests that we receive for processing during each period and which we also refer to as tests accessioned, grew to approximately 207,000 tests for the three months ended September 30, 2026, compared to 163,000 for the three months ended September 30, 2025. In addition, our total delivered and billable test volume, which represents the number of billable tests for which we deliver a result to the ordering provider each period, grew to approximately 206,000 tests for the three months ended September 30, 2026, compared to 165,000 delivered and billable tests for the three months ended September 30, 2025.

Key factors affecting our results of operations and performance

We believe certain factors have influenced, and will continue to influence, our operating performance and results of operations. While each of these factors presents significant opportunities for our business, they also pose important risks and challenges that we must successfully address to sustain and grow our business and improve our results of operations. Our ability to successfully address the factors below is subject to various risks and uncertainties, including those described under Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Market adoption and commercial success

Our success and future growth depend on maintaining and expanding market acceptance and achieving commercial success in our prenatal and oncology product lines. This requires our sales teams to develop and maintain relationships with obstetricians, maternal-fetal medicine specialists, oncologists, and other providers. In addition, our sales teams must be able to convincingly communicate the clinical utility and value of our tests in enabling personalized patient care. The commercial success of our existing tests and any new tests we develop will depend upon factors such as clinical evidence supporting their effectiveness, inclusion in clinical practice guidelines, adoption by the medical community, favorable coverage by third-party payors, and our ability to differentiate our offerings in competitive markets. In addition, our ability to maintain and expand our sales and marketing capabilities to support increased adoption of our molecular diagnostic solutions will be another key factor to our success.

Payor coverage, contracting, and more effective reimbursement operations

Our ASPs and revenue depend heavily on our success in achieving and maintaining broad coverage and adequate reimbursement for our molecular diagnostic tests from third-party payors. Third-party reimbursement for our tests represented more than 90% of our revenue for the nine months ended September 30, 2026, and we expect government and commercial third-party payors to continue to be our primary source of payments. Coverage and reimbursement by third-party payors, including commercial health insurers, managed care organizations, and government healthcare programs such as Medicare and Medicaid, can be limited and uncertain for the types of specialized molecular diagnostic tests we offer. Each payor makes its own determination as to whether to establish a policy to cover our tests, as well as the amount it will reimburse for such tests. Payors make these determinations based on factors that include medical necessity, clinical utility, and cost-effectiveness. Reimbursement rates vary significantly by test-type, payor, and coverage determination. Historically, our market access and reimbursement teams have pursued strategies to increase our ASPs by expanding our payor coverage and reimbursement. We believe these strategies will continue to grow our ASPs over time.

Internalizing and strengthening our reimbursement capabilities and incorporating automation and AI to reimbursement operations

We have invested in building a high-performing, specialized team dedicated to all aspects of reimbursement, including claims management, appeals, and payor relations. In July 2023, we transitioned from relying on third-party vendors to managing our reimbursement function in-house. This team's expertise and commitment have enabled a more consistent, and accurate billing and appeal process, along with the rapid identification and resolution of reimbursement issues.

In addition, we have integrated our internal systems end-to-end, automated many of the repetitive reimbursement procedures, and incorporated AI for significant efficiency improvements (e.g., using large language models ("LLMs") to read, categorize, and react to thousands of correspondence items from insurance companies that we receive every day), allowing our team to significantly increase their productivity. This strategic move not only streamlines our operations and improves cash flow but also allows us to better advocate for the value of our diagnostic tests with payors by providing rapid feedback and responding proactively to evolving reimbursement trends.

Relentless focus on reducing costs and increasing operational efficiency

Our financial results depend upon our ability to support current and future levels of demand for our prenatal screening and oncology diagnostic tests while maintaining discipline around our cost structure. Historically, we have been able to grow the size of our operational team much more slowly than our test volume increases. This has led to significantly increased operational leverage and efficiencies on a per-test basis and has been a driver in improving our net income (loss) margin.

We actively seek ways to continuously reduce our costs-per-test and improve our gross profit margin, long-term profitability, and return on investment. For example, we have reduced COGS per test through automation and optimization of laboratory workflows, successful negotiations with suppliers, and re-design and re-validation of assays with more optimized chemistry or higher-throughput sequencing. Nevertheless, as our test volumes grow, we have made and will continue to make significant investments in state-of-the-art infrastructure to support our growth. In 2023 we successfully expanded our laboratory operations from a single facility with 36,000 square feet in Menlo Park, California by adding a second laboratory facility in Union City, California with 90,000 square feet. To further support our growth beyond our current facilities, we entered a lease for the construction of 229,000 square feet of laboratory space in Austin, Texas, which includes a tenant improvement package. We expect to occupy this facility in 2027, and open for processing commercial samples in 2028. Once the facility is fully utilized, we expect our potential testing capacity to be nearly triple our current capabilities. In addition, in June 2026, we entered a lease for a third laboratory facility in Union City, California with approximately 62,659 square feet of office and laboratory space, which includes a tenant improvement package. This facility, which we expect to occupy in 2027, will be dedicated to our oncology products and more than triple the current oncology-dedicated laboratory space.

In addition, we must simultaneously enhance our customer service capabilities, improve our billing and administrative processes, expand our quality assurance programs, incorporate new laboratory equipment and automation, and implement new technology systems, all while maintaining competitive turnaround times. As such, our expenses may increase. In order to maintain cost discipline, we will continue to re-design and optimize our processes, integrate AI into our workflows, and increasingly automate both our laboratory and non-

laboratory operations. We believe that our continued focus on optimization, automation, and AI for higher operational efficiencies will drive further productivity gains.

Continued research and development and new product innovation

We expect to maintain significant levels of investment in research and development as we continue to develop new molecular diagnostic assays, enhance existing tests, and expand our testing capabilities into new clinical applications within our prenatal screening and oncology diagnostics product lines. These investments include costs for new test development, costs to validate new assays or to improve current assays, clinical studies to demonstrate utility and support reimbursement efforts, and development costs for new testing methodologies and platforms. Our ability to develop new products, obtain regulatory approvals for such products when required, successfully launch new products into the market, and drive adoption by healthcare providers will continue to play a key role in our competitive position and financial results. We believe these investments are critical to maintaining our technological leadership, supporting physician adoption, and driving favorable coverage decisions by payors across both our prenatal and oncology product lines.

Key components of results of operations

Revenue

The majority of our revenue is derived from sales of our prenatal test, UNITY, and a smaller portion is derived from sales of our liquid biopsy oncology tests, Northstar. Specifically, during the year ended December 31, 2025, 91% of our revenue was from our prenatal tests, 8% of our revenue was from our oncology tests, and 1% of our revenue was from our clinical trial support and other services. Additionally, during the nine months ended September 30, 2026 and 2025, approximately 87% and 91%, respectively, of our revenue was from our prenatal tests, 12% and 8%, respectively, of our revenue was from our oncology tests, and 1% and 1%, respectively, of our revenue was from our clinical trial support and other services. We market our products to health clinics and physicians or a combination of the insurance carrier and patient for fees. Revenue for tests is recognized when test results are delivered to the ordering physician.

For many health clinics and physicians, the payment we ultimately receive depends upon the rate of reimbursement from insurance carriers. We may also negotiate rates with patients if the patient is responsible for payment. Our efforts in obtaining reimbursement based on individual claims, including pursuing appeals or reconsiderations of claim denials, may take a substantial amount of time, and bills may not be paid for many months or, in some cases, ultimately may not receive payment.

We expect our revenue to increase over time as we expand our sales efforts, introduce new products, and contract with more payors. In addition, positive reimbursement decisions from insurance carriers would eliminate much of the uncertainty around payment and increase our overall revenue growth from ordering physicians.

Our clinical trial support and other services include revenue from strategic partnerships with Johnson & Johnson that utilize our testing capabilities as part of a project to perform clinical trials and the development and commercialization of a companion diagnostic. Revenue from these strategic partnership agreements is recognized as services are performed and costs are incurred. Our revenue derived from these agreements has not been material to our results of operations.

Cost of revenue

Our cost of revenue consists primarily of expenses related to materials and consumables, test kits, personnel-related expenses such as salaries, stock-based compensation expense and related benefits for our operations and support personnel, shipping costs, overhead allocations, depreciation expense, facilities-related expenses and other services used in connection with delivering our services.

Gross profit and gross margin

Gross profit represents revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. Our gross profit has been, and may in the future be, influenced by several factors, including test volumes and prices paid for our tests, changes in materials and consumables costs, laboratory processing costs, personnel costs, shipping, and logistics costs.

Operating expenses

Research and development expenses

Research and development expenses consist primarily of personnel-related expenses such as salaries, stock-based compensation expense and related benefits for our product development employees. Research and development expenses also include non-personnel costs such as materials and consumables used for research, clinical third-party services and consulting expenses, and an allocation of our general overhead expenses. These costs are expensed in the period they are incurred.

We believe that continued investment in our products is important to our future growth and, as a result, we expect our research and development costs to increase in absolute dollars and moderately decline as a percentage of revenue over time if our revenue increases.

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of personnel-related expenses such as salaries, stock-based compensation expense and related benefits for our sales, marketing, and general and administrative employees. Selling, general and administrative expenses also include our commission payments, marketing related expenses in promoting our brand and tests, and training costs for sales employees. All selling, general and administrative costs are expensed in the period as incurred.

We expect selling, general and administrative expenses to increase in absolute dollars as we increase our sales and marketing personnel, increase product offerings, grow our operations and incur additional expenses associated with operating as a public company. These expenses are associated with operating as a public company include expenses necessary to comply with the rules and regulations applicable to companies listed on NASDAQ and related compliance and reporting obligations pursuant to the rules and regulations of the SEC, as well as higher expenses for general and director and officer insurance, investor relations and other professional services.

Other income (expense)

Interest income

Interest income consists of income earned on our short-term cash and cash equivalents which include money market funds.

Interest expense

Interest expense is attributable to interest on our finance leases.

Change in fair value of term loan

Change in fair value of term loan relates to the Oberland Capital debt where we elected the fair value option under ASC 825 and is accounted for at fair value on a recurring basis. The remaining portion of the total change in fair value not attributable to instrument-specific credit risk is recognized in change in fair value of term loan. We also elected to record interest expense related to the Oberland Capital debt as change in fair value of term loan.

Other income (expense), net

Other income (expense), net is comprised of the change in fair value of our liabilities related to warrants for common stock and redeemable convertible preferred stock and various income or expense items of a non-recurring nature.

Provision for income taxes

Provision for income taxes consists of U.S. federal and state income taxes. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is not more likely than not that the deferred tax assets will be realized.

We account for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. We recognize the tax effects of an uncertain tax position only if it is more likely than not to be sustained based solely on its technical merits as of the reporting date and only in an amount more likely than not to be

sustained upon review by the tax authorities. Interest and penalties related to uncertain tax positions are classified in the unaudited financial statements as income tax expense.

Results of operations

Comparison of the three months ended September 30, 2026 and 2025

The following table sets forth information derived from our statements of operations and comprehensive income for each of the periods presented:

	Three Months Ended September 30,		Change	
	2026	2025	Amount	Percent
	(in thousands, except percent)			
Revenue	$ 122,981	$ 83,523	$ 39,458	47.2 %
Cost of revenue[(1)]	35,836	25,107	10,729	42.7
Gross profit	87,145	58,416	28,729	49.2
Operating expenses:				
Research and development[(1)]	20,216	12,953	7,263	56.1
Selling, general and administrative[(1)]	55,906	35,830	20,076	56.0
Total operating expenses	76,122	48,783	27,339	56.0
Income from operations	11,023	9,633	1,390	14.4
Other income (expense):				
Interest income	4,912	1,535	3,377	220.0
Interest expense	(6)	(20)	14	(70.0)
Change in fair value of term loan	1,482	(3,936)	5,418	NM
Other income (expense), net	(19)	(1,630)	1,611	NM
Total other income (expense)	6,369	(4,051)	10,420	NM
Income before provision for income taxes	17,392	5,582	11,810	NM
Provision for income taxes	1	(129)	130	NM
Net income	$ 17,391	$ 5,711	$ 11,680	NM

NM = Not meaningful

(1) Includes stock-based compensation expense as follows:

	Three Months Ended September 30,	
	2026	2025
	(in thousands)	
Cost of revenue	$ 921	$ 401
Research and development	1,879	971
Selling, general and administrative	6,903	3,103
Total stock-based compensation expense	$ 9,703	$ 4,475

Revenue

Revenue increased $39.5 million, or 47%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. This increase was driven primarily by a 25% increase in the total volume of delivered and billable tests to approximately 206,000 for the three months ended September 30, 2026 from approximately 165,000 for the three months ended September 30, 2025. The increase in revenue was also attributable to an increase in our Overall ASP of 18%. Overall ASP is the weighted average ASP across all of our prenatal and oncology products. It is computed by dividing revenue for our prenatal and oncology tests by the number of tests that are delivered and billable. The number of tests that are delivered and billable in a given

period represents the number of billable tests for which we deliver a result to the ordering provider in such period. Furthermore, we recognized additional revenue in the third quarter of 2026 based on better than expected results from the reprocessing of claims with a payor for test delivered in prior periods. Revenue related to services performed during prior periods that were covered by this payor contributed more than a half of the $7.6 million in revenue related to performance obligations satisfied in prior periods for the three months ended September 30, 2026.

We derive our revenue primarily from the number of tests processed and results delivered to the ordering physician. All tests processed are accessioned in our laboratories.

The increase in test volume was driven by higher volumes of our prenatal tests primarily as a result of the expansion of our sales force for our prenatal products. In addition, volumes for both our Northstar Select and Northstar Response oncology tests increased as a result of the expansion of our oncology sales force. The increase in our ASP per test was driven by several factors. For example, we increased the number of contracts that we have with payors for our prenatal tests compared to last year, and we continued to benefit from our proprietary PLA code, both of which drove increases in ASP for the three months ended September 30, 2026 compared to the same period in the prior year.

Cost of revenue

Cost of revenue increased $10.7 million, or 43%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase was primarily due to an increase of $5.1 million in expenses associated with testing samples and supplies used in processing tests, phlebotomy, and related shipping costs, driven by a higher volume of tests processed; and an increase of $5.6 million in labor and consulting related expenses, including stock-based compensation, which were driven by higher test volumes and an increase in product support.

Gross profit and gross margin

Gross profit increased $28.7 million, or 49%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase was primarily due to an increase in the number of tests processed and a higher Overall ASP slightly offset by a small increase in Overall Cost Per Test as the sales mix shifted towards the faster growing oncology products which have a higher cost-per-test than prenatal. Some of the increase from the shift in sales mix was offset by our programs to actively reduce variable expenses and increase efficiency from our fixed costs. Overall Cost Per Test is the weighted average cost per test across all of our prenatal and oncology products. It is computed by dividing cost of goods sold for our prenatal and oncology tests by the number of tests that are accessioned. The number of tests that are accessioned in a given period represents the number of billable tests that we receive for processing during such period. We refer to this number as our “Total Test Volume.”

Gross margin increased to 71% for the three months ended September 30, 2026 from 70% for the three months ended September 30, 2025 for the reasons described above.

The increase in our Overall ASP contributed to all of the improvement of our gross margin for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. This improvement was partially offset by an increase in our Overall Cost Per Test of 10% for the three months ended September 30, 2026 as compared to the three months ended September 30, 2025. Cost Per Test increased slightly for our prenatal products partially offset by improvements in Cost Per Test for both of our oncology products during the three months ended September 30, 2026 compared to the three months ended September 30, 2025. However, these improvements were offset by a shift in the sales mix towards oncology products which have higher costs-per-test, resulting in the increase in our Overall Cost Per Test.

For the three months ended September 30, 2026, our cost of goods sold consisted of 56% of variable costs and 44% of fixed costs and for the three months ended September 30, 2025, our cost of goods sold consisted of 59% of variable costs and 41% of fixed costs. The decrease in variable costs during the period was attributable primarily to efficiencies gained in our lab from the increased test volume in both prenatal and oncology testing.

Operating expenses

Research and development expenses

Research and development expenses increased $7.3 million, or 56%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase was primarily due

to a $3.1 million increase in personnel costs which included $0.9 million in stock-based compensation expense, a $2.3 million increase in reagents and supplies costs, a $0.4 million increase in equipment expenses and overhead allocations, a $0.5 million increase in clinical studies expense and a $1.0 million increase in consulting and other costs. The increase in research and development expenses was primarily driven by an increase in our average research and development headcount of 27 employees during the periods presented to support our product development and innovation efforts.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $20.1 million, or 56%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase was primarily due to a $15.3 million increase in salaries, commissions and related expenditure which included $3.8 million in stock-based compensation expense, a $1.6 million increase in professional and consulting fees, a $1.4 million increase in facilities and other costs, a $1.4 million increase in allocated IT and software licenses expense and a $0.4 million increase in reimbursement collection services fees. The increase in selling, general and administrative expenses was driven by an increase in our average selling, general and administrative headcount of 135 employees during the periods presented to support our sales, marketing and other corporate strategies.

Interest income

Interest income increased $3.4 million, or 220%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase was primarily due to a higher average balance of cash and cash equivalents, compared to the three months ended September 30, 2025, due to the proceeds from our IPO in November 2025.

Interest expense

Interest expense decreased $14.0 thousand, or 70%, for the three months ended September 30, 2026 compared to the three months ended September 30, 2025.

Change in fair value of term loan

Change in fair value of term loan decreased $5.4 million for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The decrease was due to a change in fair value of the Oberland Capital debt of $6.0 million offset by an increase in interest expense of $0.6 million, primarily related to the draw of the third tranche on March 31, 2026.

Other income (expense), net

Other income (expense), net increased $1.6 million for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The change was primarily due to a $1.6 million loss in the fair value of our common stock warrants during the three months ended September 30, 2025.

Comparison of the nine months ended September 30, 2026 and 2025

The following table sets forth information derived from our statements of operations and comprehensive income for each of the periods presented:

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	Percent
	(in thousands, except percent)			
Revenue	$ 340,817	$ 209,059	$ 131,758	63.0 %
Cost of revenue[(1)]	97,469	69,205	28,264	40.8
Gross profit	243,348	139,854	103,494	74.0
Operating expenses:				
Research and development[(1)]	52,223	35,134	17,089	48.6
Selling, general and administrative[(1)]	156,765	99,029	57,736	58.3
Total operating expenses	208,988	134,163	74,825	55.8
Income from operations	34,360	5,691	28,669	NM
Other income (expense):				
Interest income	14,251	4,492	9,759	217.3
Interest expense	(24)	(92)	68	(73.9)
Change in fair value of term loan	(5,747)	(7,038)	1,291	(18.3)
Other income (expense), net	579	(1,591)	2,170	NM
Total other income (expense)	9,059	(4,229)	13,288	NM
Income before provision for income taxes	43,419	1,462	41,957	NM
Provision for income taxes	4	(15)	19	(126.7)
Net income	$ 43,415	$ 1,477	$ 41,938	NM

NM = Not meaningful

(1) Includes stock-based compensation expense as follows:

	Nine Months Ended September 30,	
	2026	2025
	(in thousands)	
Cost of revenue	$ 2,342	$ 1,139
Research and development	4,988	2,542
Selling, general and administrative	17,100	5,900
Total stock-based compensation expense	$ 24,430	$ 9,581

Revenue

Revenue increased $131.8 million, or 63%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. This increase was driven primarily by a 34% increase in the total volume of delivered and billable tests to approximately 590,000 for the nine months ended September 30, 2026 from approximately 441,000 for the nine months ended September 30, 2025. The increase in revenue was also attributable to an increase in our Overall ASP of 22%. Furthermore, new agreements with payors entered into in the first quarter of 2026 resulted in an increase in revenue related to expected payments on the reprocessing of claims for tests delivered in the first three months of 2026 and the year ended December 31, 2025. Revenue related to services performed during the year ended December 31, 2025 that were covered by these payors

contributed slightly less than half of the $19.6 million in revenue related to performance obligations satisfied in prior periods for the nine months ended September 30, 2026.

The increase in test volume was driven by higher volumes of our prenatal tests primarily as a result of expansion of our sales force for our prenatal products. In addition, volumes for both our Northstar Select and Northstar Response oncology tests increased as a result of expansion of our oncology sales force. The increase in our ASP per test was driven by several factors. Over the last 12 months we have continued to increase the number of contracts we have with payors for our prenatal tests which drove increases in ASP in the nine months ended September 30, 2026 compared to the same period in the prior year. In addition, we continued to benefit from our proprietary PLA code for our prenatal tests. When utilized, the PLA code is typically reimbursed at a higher rate; this contributed to an increase in ASPs during the nine months ended September 30, 2026.

Cost of revenue

Cost of revenue increased $28.3 million, or 41%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase was primarily due to an increase of $15.7 million in expenses associated with testing samples and supplies used in processing tests, phlebotomy, and related shipping costs, driven by a higher volume of tests processed; and an increase of $12.6 million in labor and consulting related expenses, including stock-based compensation, which were driven by higher test volumes and an increase in product support.

Gross profit and gross margin

Gross profit increased $103.5 million, or 74%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase was primarily due to an increase in the number of tests processed and a higher Overall ASP slightly offset by a small increase in Overall Cost Per Test as the sales mix shifted towards the faster growing oncology products which have a higher cost-per-test than prenatal. Some of the increase from the shift in sales mix was offset by our programs to actively reduce variable expenses and increase efficiency from our fixed costs.

Gross margin increased from 67% for the nine months ended September 30, 2025 to 71% for the nine months ended September 30, 2026 for the reasons described above.

The increase in our Overall ASP contributed to all of the improvement of our gross profit margin for the nine months ended September 30, 2026 as compared to the nine months ended September 30, 2025, offset by a slight increase in our Overall Cost Per Test.

For the nine months ended September 30, 2026 and 2025, our cost of goods sold consisted of 56% of variable costs and 44% of fixed costs.

Operating expenses

Research and development expenses

Research and development expenses increased $17.1 million, or 49%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase was primarily due to a $7.9 million increase in personnel costs which included $2.4 million in stock-based compensation expense, a $4.4 million increase in reagents and supplies costs, a $2.0 million increase in equipment expenses and overhead allocations, a $1.2 million increase in clinical studies expense and a $1.5 million increase in consulting. The increase in research and development expenses was primarily driven by an increase in our average research and development headcount of 27 employees during the periods presented to support our product development and innovation efforts.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $57.7 million, or 58%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase was primarily due to a $44.0 million increase in salaries, commissions and related expenditure which included $11.2 million in stock-based compensation expense, a $5.0 million increase in professional and consulting fees, a $4.2 million increase in facilities and other costs, a $3.2 million increase in allocated IT and software licenses expense and a $1.4 million increase in reimbursement collection services fees. The increase in selling, general and

administrative expenses was driven by an increase in our average selling, general and administrative headcount of 133 employees during the periods presented to support our sales, marketing and other corporate strategies.

Interest income

Interest income increased by $9.8 million, or 217%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase was primarily due to a higher average balance of cash and cash equivalents, compared to the nine months ended September 30, 2025, due to the proceeds from our IPO in November 2025.

Interest expense

Interest expense decreased $0.1 million, or 74%, for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025.

Change in fair value of term loan

Change in fair value of term loan decreased $1.3 million, or 18% for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The decrease was due to a change in fair value of the Oberland Capital debt of $2.8 million offset by an increase in interest expense of $1.2 million and an increase in revenue participation payments of $0.3 million, primarily related to the draw of the third tranche on March 31, 2026.

Other income (expense), net

Other income (expense), net increased $2.2 million for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase was due to $0.6 million in other income related to an insurance recovery during the nine months ended September 30, 2026 and a $1.6 million loss in the fair value of our common stock warrants during the nine months ended September 30, 2025.

Non-GAAP financial measures

We use certain non-GAAP financial measures to supplement our unaudited financial statements, which are presented in accordance with GAAP. These non-GAAP financial measures include EBITDA, Adjusted EBITDA, non-GAAP income (loss) from operations, and non-GAAP net income (loss). We use these non-GAAP financial measures for financial and operational decision-making and as a means to assist us in evaluating period-to-period comparisons. By excluding the impact of certain items that we believe do not directly reflect our underlying operations, we are of the opinion that EBITDA, Adjusted EBITDA, non-GAAP income (loss) from operations and non-GAAP net income (loss) provide meaningful supplemental information regarding our performance. Accordingly, we believe these non-GAAP financial measures are useful to investors and others because they allow for additional information with respect to financial measures used by management in its financial and operational decision-making and forecasting. These metrics also provide investors and other users of our financial information with additional tools to compare business performance across companies and periods, while eliminating the effects of items that may vary for different companies for reasons unrelated to core operating performance. However, there are a number of limitations related to the use of non-GAAP financial measures, and these non-GAAP measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with GAAP. Other companies, including companies in our industry, may calculate these non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.

EBITDA

We define EBITDA as net income (loss) adjusted for income taxes, interest income, interest expense, and depreciation and amortization expense. A reconciliation of net income (loss), the most directly comparable GAAP financial measure, to EBITDA is presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 17,391	$ 5,711	$ 43,415	$ 1,477
Provision for income taxes	1	(129)	4	(15)
Interest (income)	(4,912)	(1,535)	(14,251)	(4,492)
Interest expense	6	20	24	92
Depreciation and amortization	1,973	1,692	5,540	5,232
EBITDA	$ 14,459	$ 5,759	$ 34,732	$ 2,294

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) adjusted for income taxes, interest income, interest expense, depreciation and amortization expense, and certain other items which include significant non-cash items and events that are highly variable, significant in size, and that we do not believe are indicative of ongoing or future business operations, which include: stock-based compensation expense; change in fair value of term loan; and change in fair value of warrant liabilities. A reconciliation of net income (loss), the most directly comparable GAAP financial measure, to Adjusted EBITDA is presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 17,391	$ 5,711	$ 43,415	$ 1,477
Provision for income taxes	1	(129)	4	(15)
Interest (income)	(4,912)	(1,535)	(14,251)	(4,492)
Interest expense	6	20	24	92
Depreciation and amortization	1,973	1,692	5,540	5,232
Stock-based compensation expense	9,703	4,475	24,430	9,581
Change in fair value of term loan	(1,482)	3,936	5,747	7,038
Change in fair value of warrant liabilities	-	1,627	(62)	1,585
Adjusted EBITDA	$ 22,680	$ 15,797	$ 64,847	$ 20,498

Non-GAAP income from operations

We define non-GAAP income (loss) from operations as income from operations presented in accordance with GAAP, adjusted to exclude stock-based compensation expense.

A reconciliation of income (loss) from operations, the most directly comparable GAAP financial measure, to non-GAAP income (loss) from operations is presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Income from operations	$ 11,023	$ 9,633	$ 34,360	$ 5,691
Stock-based compensation expense	9,703	4,475	24,430	9,581
Non-GAAP income from operations	$ 20,726	$ 14,108	$ 58,790	$ 15,272

Non-GAAP net income

We monitor non-GAAP net income (loss) for planning and performance measurement purposes. We define non-GAAP net income (loss) as net income (loss) reported on our statements of operations and comprehensive income (loss), excluding the impact of stock-based compensation expense, change in fair value of the term loan and change in fair value of warrant liabilities. We exclude fair value adjustments related to debt, which can fluctuate significantly and do not directly reflect our underlying operations. Our calculation of non-GAAP net income (loss) does not currently include the tax effects of the stock-based compensation expense adjustment because such tax effects have not been material to date.

A reconciliation of net income (loss), the most directly comparable GAAP financial measure, to non-GAAP net income (loss) is presented below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 17,391	$ 5,711	$ 43,415	$ 1,477
Stock-based compensation expense	9,703	4,475	24,430	9,581
Change in fair value of term loan	(1,482)	3,936	5,747	7,038
Change in fair value of warrant liabilities	-	1,627	(62)	1,585
Non-GAAP net income	$ 25,612	$ 15,749	$ 73,530	$ 19,681

Liquidity and capital resources

Since our inception, prior to our IPO, we financed our operations primarily through the issuance of convertible notes, redeemable convertible preferred stock, debt, and cash generated from the sale of our products. As of September 30, 2026, our principal sources of liquidity were cash and cash equivalents of $561.5 million and working capital of $621.5 million. On November 7, 2025, we closed our IPO of our Class A common stock. The total net proceeds received were approximately $286.9 million after deducting underwriting discounts, commissions and offering expenses payable by us. Cash and cash equivalents are comprised of cash held in sweep accounts, checking accounts, lock-box accounts and money market funds. Our principal use of cash is to fund operations and invest in research and development to support our growth.

We have generated significant losses from operations and negative cash flows from operating activities in the past as reflected in our accumulated deficit of $231.3 million as of September 30, 2026. While we did have positive income from operations and positive cash flows in the nine months ended September 30, 2026, we may be unable to sustain positive income from operations and positive cash flows in future periods. We believe our current cash and cash equivalents will be sufficient to fund our operations for at least the next 12 months. Our future capital requirements, however, will depend on many factors, including our growth rate, the timing and extent of our sales and marketing and research and development expenditures, the continuing market acceptance of our products, and the use of cash to fund potential mergers or acquisitions. In the event that additional financing is required from outside sources, we may seek to raise additional funds through equity, equity-linked arrangements, and debt. If we are unable to raise additional capital when desired and at reasonable rates, our business, results of operations, and financial condition could be adversely affected.

Oberland Capital note purchase agreement

We have a debt facility with availability of up to $140.0 million, issuable in four separate tranches, pursuant to a Note Purchase Agreement, dated as of August 2, 2024, by and among us, the purchasers party thereto, and BWCB SA LLC (an entity affiliated with Oberland Capital), as purchaser’s agent. The advanced principal accrues interest at a rate of 8.0% per annum. The first tranche of $50.0 million was advanced on August 5, 2024, with a maturity date of August 5, 2031, interest-only payments through August 5, 2031 and a lump sum payment due on August 5, 2031. The lump sum payment includes all of the outstanding principal plus a payment that would generate an internal rate of return ("IRR") for the purchasers of 10.0%. The term loan advances are secured by a lien on our assets.

We were required to sell a tranche of notes in the amount of $30.0 million prior to March 31, 2026 as we achieved the revenue and gross margin thresholds triggering this obligation on June 30, 2025 based on our results for the first half of 2025. The thresholds triggering this tranche were trailing six-month revenue of at least

$112.5 million and a trailing six-month gross margin of at least 45%. The third tranche of $30.0 million was advanced on March 31, 2026, with a maturity date of August 5, 2031, interest-only payments through August 5, 2031 and a lump sum payment due on August 5, 2031. The terms of this tranche are identical to those of the first $50.0 million tranche. We did not elect the option to draw on the fourth tranche.

We have the option at any time to prepay all of the then-outstanding notes, and Oberland Capital has the option to redeem the notes upon a change in control of the Company, an event of default, or maturity. The repayment amount of the note shall equal: (1) 130% of the principal amount if the payment is made within 24 months of issuance; (2) 145% of the principal amount if the payment is made within 36 months of issuance; (3) if the payment is made within 48 months, an amount that would generate an IRR for the purchasers of 12.25%; (4) if the payment is made within 60 months of the issuance, an amount that would generate an IRR for the purchasers of 11.75%; (5) if the payment is made thereafter but prior to maturity, an amount that would generate an IRR for the purchasers of 11.25%; and (6) if the payment is made at maturity, an amount that would generate an IRR for the purchasers of 10.0%.

Beginning with the fiscal quarter ended March 31, 2025, excluding any fiscal quarter in which our aggregate cash and cash equivalents is greater than 1.1 times the aggregate principal amount of the notes issued under the Note Purchase Agreement, we are required to maintain trailing six-month net revenue based on a schedule that gradually increases up to $120.0 million as of December 31, 2026, and a trailing six-month gross margin (as defined in the Note Purchase Agreement) of not less than 30%. As of September 30, 2026, we were in compliance with all financial covenants in the agreement. The Note Purchase Agreement also contains a revenue participation provision, under which, for any fiscal quarter, 0.01% of net revenue for such fiscal quarter (up to $100.0 million of net revenue for each fiscal year) per each $1.0 million principal amount of the notes will be payable to Oberland Capital. The revenue participation payments are additional financing costs of the loan and are included in the computation of the internal rate of return measures described in the preceding paragraph. Beginning with the fiscal year beginning January 1, 2025, we are required to make revenue participation payments under the Note Purchase Agreement.

Cash flows

The following table summarizes our cash flows for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Net cash provided by operating activities	$ 37,113	$ 13,803
Net cash used in investing activities	$ (12,466)	$ (7,344)
Net cash provided by (used in) financing activities	$ 40,890	$ (2,784)

Operating activities

Net cash provided by operating activities during the nine months ended September 30, 2026 was $37.1 million. Net income of $43.4 million included $35.1 million in non-cash charges primarily resulting from $24.4 million of stock-based compensation, $5.5 million of depreciation and amortization, $4.4 million of amortization of right-of-use assets, and aggregate $0.6 million of change in fair value of the common stock warrant liability and term loan. Operating assets had outflows of $56.2 million primarily resulting from a $46.7 million increase in accounts receivable, driven partially by new agreements entered into with payors in 2026, $4.3 million increase in inventory, $4.9 million increase in prepaid expenses and other current assets and a $0.3 million increase in other non-current assets. Operating liabilities had inflows of $14.8 million primarily resulting from a $20.2 million increase in accounts payable and accrued expense balances, offset by a $3.8 million decrease in operating lease liabilities and $1.6 million decrease in deferred revenue.

Net cash provided by operating activities during the nine months ended September 30, 2025 was $13.8 million. Net income of $1.5 million included $23.6 million in non-cash charges primarily resulting from $9.6 million of stock-based compensation, $5.2 million of depreciation and amortization, $3.7 million of amortization of right-of-use assets, and aggregate $5.1 million of change in fair value of the common stock warrant liability, term loan and convertible notes. Operating assets had outflows of $20.4 million primarily resulting from a $9.9 million increase in accounts receivable, $8.7 million increase in inventory, a $1.7 million increase in prepaid and other

current assets, and $0.1 million increase in other non-current assets. Operating liabilities had inflows of $9.1 million primarily resulting from a $12.5 million increase in accounts payable and accrued expense balances offset by $3.2 million decrease in operating lease liabilities and a $0.1 million decrease in deferred revenue.

Investing activities

Net cash used in investing activities during the nine months ended September 30, 2026 totaled $12.5 million due to purchases of property and equipment.

Net cash used in investing activities during the nine months ended September 30, 2025 totaled $7.3 million due to purchases of property and equipment.

Financing activities

Net cash provided by financing activities during the nine months ended September 30, 2026 totaled $40.9 million which was comprised of $30.0 million from the draw of the third tranche of the Oberland Debt and $12.2 million in proceeds from the exercise of stock options, offset by $0.5 million of payments of deferred offering costs, $0.4 million of taxes paid related to net share settlement of equity awards, and $0.4 million of principal payments on finance lease liabilities.

Net cash used in financing activities during the nine months ended September 30, 2025 totaled $2.8 million which was comprised of $1.4 million principal payments on finance lease liabilities and $2.5 million of payments of deferred offering costs, offset by $1.2 million in proceeds from the exercise of stock options.

Contractual obligations and commitments

Operating lease commitments. Our operating lease commitments primarily include our labs and corporate offices. As of September 30, 2026, we had fixed lease payment obligations of $65.3 million, with $10.7 million to be paid within 12 months and the remainder thereafter.

Finance lease commitments. Our finance lease commitments primarily relate to equipment used in our labs. As of September 30, 2026, we had fixed lease payment obligations of $0.5 million, with $0.4 million to be paid within 12 months and the remainder thereafter.

Off-balance sheet arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical accounting estimates

We prepare our unaudited financial statements in conformity with GAAP. The preparation of unaudited financial statements in conformity with GAAP required certain estimates and assumptions to be made that may affect our unaudited financial statements. Accounting policies that have a significant impact on our results are described in Note 2 to our unaudited financial statements included in Part 1, Item 1 in this Quarterly Report on Form 10-Q. We consider an accounting policy to be critical if the policy is subject to a material level of judgment and if changes in those judgments are reasonably likely to materially impact our results.

We base our estimates and judgments on reasonably available information. Our estimates and assumptions may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and such differences may be material to the unaudited financial statements.

We continue to monitor and assess our critical estimates in light of developments, and as new events occur and additional information is obtained, our estimates may change materially in future periods.

For a discussion of our critical accounting estimates, please refer to Item 7 under Part II, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K

for the year ended December 31, 2025. Since December 31, 2025, there have been no material changes to our critical accounting estimates.

Recent accounting pronouncements

See Note 2 of our unaudited financial statements included in Part 1, Item 1 in this Quarterly Report on Form 10-Q for more information regarding recently issued accounting pronouncements.

Emerging growth company status

We are an “emerging growth company” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this exemption from new or revised accounting standards until the earlier of the date we (i) qualify for treatment as an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided for emerging growth companies. As a result, our unaudited financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates, inflation and foreign currency exchange rates.

Interest Rate Risk

We are exposed to market risk for changes in interest rates related primarily to our cash and cash equivalents and our indebtedness. As of September 30, 2026 and December 31, 2025, we had cash and cash equivalents of $561.5 million and $496.0 million, respectively, held primarily in cash deposits and money market funds. As of September 30, 2026, we had a net balance of $89.0 million outstanding under our Oberland Capital Note Purchase Agreement, which is subject to quarterly interest payments. A hypothetical 100 basis point increase or decrease in interest rates would not be material to our financial condition or results of operations.

Foreign currency exchange rate fluctuations

Our operations are currently conducted almost entirely in the United States as international markets represented less than 1% of our revenue during the three months ended September 30, 2026. If we choose to expand internationally, our results of operations and cash flows may become subject to fluctuations due to changes in foreign currency exchange rates. In periods when the U.S. dollar declines in value as compared to the foreign currencies in which we incur expenses, our foreign currency based expenses would increase when translated into U.S. dollars. In addition, future fluctuations in the value of the U.S. dollar may affect the price at which we sell our tests outside the United States. To date, our foreign currency risk has been minimal. As of September 30, 2026, the effect of a hypothetical 10% change in foreign currency exchange rates would not be material to our financial condition or results of operations. To date, we have not entered into any hedging arrangements with respect to foreign currency risk.

Inflation risk

We are also exposed to inflation risk and inflationary factors, such as increases in raw material and overhead costs, which could impair our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and operating expenses as a percentage of revenue.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our 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. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were not effective at the reasonable assurance level as of September 30, 2026 due to the material weaknesses in our internal control over financial reporting as described below.

Management performed additional procedures, including supplementary analyses and enhanced review procedures, to provide reasonable assurance regarding the reliability of the financial statements. Notwithstanding the material weaknesses and based on the additional analyses and procedures performed, Management has concluded that the financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Internal Control over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We previously reported material weaknesses in our internal control over financial reporting, and they remained unremediated as of September 30, 2026, relating to the following:

- We did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we lack a sufficient complement of resources with the appropriate knowledge, experience, and training to appropriately analyze, record and disclose accounting matters commensurate with our accounting and reporting requirements. Additionally, the lack of sufficient resources resulted in an inability to consistently establish appropriate segregation of duties in our finance and accounting functions. This material weakness contributed to the following additional material weaknesses:
- We did not design and maintain effective controls to appropriately analyze, account for, and present and disclose amounts related to certain financial instruments. Specifically, we did not design and maintain controls to appropriately analyze, account for, and present and disclose amounts related to outstanding common stock warrants. Additionally, we did not design and maintain controls to appropriately present and disclose amounts related to debt instruments.
- We did not design and maintain effective user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel in creating and posting journal entries.

These material weaknesses, other than that related to user and privileged access controls, resulted in immaterial adjustments to the December 31, 2024 and 2023 financial statements. Additionally, these material weaknesses could result in a misstatement of account balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

Remediation Efforts

We continue to make progress towards remediating these material weaknesses. These remediation measures are ongoing as of the date of this Quarterly Report on Form 10-Q and include:

- engaging third parties to assist with technical accounting matters and designing and implementing controls;
- hiring additional personnel, such as accounting, finance, information technology staff and other professionals with appropriate levels of knowledge and experience. We evaluated segregation of duties risks in our finance and accounting functions and designed and implemented controls to address the conflicts identified;
- designing and implementing controls over user access, including restrictions over privileged access as it relates to creating and posting journal entries. We reviewed user and privileged access to our general ledger, removed or restricted access not commensurate with job responsibilities, and implemented a periodic user access review. We also implemented controls over the monitoring of privileged administrative activities, system-enforced journal-entry approval workflow, and periodic reviews of manual and system-generated journal entries; and
- designed and implemented controls to properly analyze, account for, present, and disclose certain financial instrument transactions. We implemented a formal process to analyze and document the accounting and disclosure for warrants and debt instruments.

We have made progress towards designing and implementing the plan to remediate the material weaknesses and will continue to review, revise, and improve the design and implementation of our internal controls as appropriate. Although we have designed and implemented certain controls to address these material weaknesses, they will not be considered remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that they are operating effectively. Accordingly, the material weaknesses were not remediated as of September 30, 2026.

We remain committed to remediating the material weaknesses and management, with the oversight of our Audit Committee, has devoted and will continue to devote considerable effort to remediate the material weaknesses identified above.

Changes in Internal Control over Financial Reporting

As described above, there were changes in our internal control over financial reporting identified (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we are involved in legal claims, regulatory investigations, inquiries, proceedings and other legal matters arising from the normal course of business and typical for our industry. Although no formal legal proceeding has been instituted, from time to time, we receive requests from governmental agencies, or third parties working on their behalf, for documents and information related to our products. We do not view any of the legal claims, regulatory investigations, inquiries, proceedings and other legal matters that we are currently subject to as being material to our business; however, it is difficult to assess the outcome of these matters, and we may not prevail in any current or future proceedings or litigation.

Litigation or any other legal, regulatory or administrative proceedings, regardless of the outcome, can result in substantial cost and diversion of our resources, including our management's time and attention, and there can be no assurances that favorable final outcomes will be obtained.

See Note 5 of our unaudited financial statements included in Part 1, Item 1 in this Quarterly Report on Form 10-Q for more information concerning certain legal proceedings in which we are involved, which is hereby incorporated by reference. The resolution of any such legal proceeding is subject to inherent uncertainty and could have a material adverse effect on our financial condition, cash flows or results of operations.

Item 1A. Risk Factors

Investing in our Class A common stock involves a high degree of risk. In addition to the information set forth in this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, you should consider carefully the factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission on March 11, 2026. The occurrence of any of the risks and uncertainties described in such Annual Report could materially and adversely affect our business, financial condition, results of operations and prospects. In that event, the price of our Class A common stock could decline and you could lose part or all of your investment. Furthermore, such risks are not the only ones we face; additional risks and uncertainties not currently known or that we currently deem to be immaterial may also materially adversely affect our business, financial condition or results of operations.

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

Unregistered sales of equity securities

On May 6, 2026, we issued shares of our Class A common stock to Western Alliance Bank upon exercise of outstanding Class A common stock warrants, pursuant to a net exercise mechanism. 80,357 of the warrants had an exercise price of $2.80, and 41,209 of the warrants had an exercise price of $10.92. The net exercise resulted in the issuance of 113,116 shares of Class A common stock, with 8,450 shares withheld to cover the aggregate exercise price.

On June 8, 2026, we issued 10,000 shares of our Class A common stock to Oguzhan Atay, our Chief Executive Officer and the Chair of our Board of Directors, in connection with the conversion at Mr. Atay's option of an equivalent number of shares of our Class B common stock held by Mr. Atay.

On September 3, 2026, we issued 20,000 shares of our Class A common stock to Oguzhan Atay, our Chief Executive Officer and the Chair of our Board of Directors, in connection with the conversion at Mr. Atay's option of an equivalent number of shares of our Class B common stock held by Mr. Atay.

On September 8, 2026, we issued 20,000 shares of our Class A common stock to David Tsao, our President, Chief Technology Officer and a member of our Board of Directors, in connection with the conversion at Mr. Tsao's option of an equivalent number of shares of our Class B common stock held by Mr. Tsao.

We believe the sales and issuances of the above securities were exempt from registration under the Securities Act of 1933, as amended pursuant to Section 3(a)(9) thereof, because our securities were exchanged by us

with our existing security holders exclusively where no commission or other remuneration was paid or given directly or indirectly for soliciting such exchange.

Use of proceeds

On November 7, 2025, we closed our IPO in which we issued and sold 5,233,765 shares of our Class A common stock, which included the exercise in full by the underwriters of their option to purchase 682,665 shares of our Class A common stock, at a price to the public of $60.00 per share. All shares sold were registered pursuant to a registration statement on Form S-1 (File No. 333-290761), as amended, which became effective on November 5, 2025. There has been no material change in the expected use of the net proceeds from our IPO as described in the final prospectus dated as of November 5, 2025 and filed with the SEC pursuant to Rule 424(b)(4) on November 6, 2025.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Disclosure of Trading Arrangements

During the fiscal quarter ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, except as described in the paragraphs below.

On August 6, 2026, Shan Riku Sakakibara, our Chief Product Officer, terminated a pre-arranged stock trading plan entered into on June 8, 2026. On August 25, 2026, Shan Riku Sakakibara, our Chief Product Officer, entered into a pre-arranged stock trading plan. Such trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Ms. Sakakibara’s plan provides for, subject to certain market price limits and other terms set forth in the plan, (a) the sale of up to 18,000 shares of Class A common stock, and (b) the exercise of up to 10,000 stock options and sale of the underlying shares of Class A common stock, between January 4, 2027 and February 26, 2027.

On September 3, 2026, David Tsao, our President, Chief Technology Officer and a member of our Board of Directors, entered into a pre-arranged stock trading plan. Such trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Mr. Tsao’s plan provides for, subject to certain market price limits and other terms set forth in the plan, the exercise of up to 90,000 stock options and sale of the underlying shares of Class A common stock, between December 14, 2026 and February 26, 2027.

On September 8, 2026, Oguzhan Atay, our Chief Executive Officer and the Chair of our Board of Directors, entered into a pre-arranged stock trading plan. Such trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Mr. Atay’s plan provides for, subject to certain market price limits and other terms set forth in the plan, the exercise of up to 50,000 stock options and sale of the underlying shares of Class A common stock, between December 14, 2026 and March 11, 2027.

On September 8, 2026, John ten Bosch, our Senior Vice President of Laboratory Operations, entered into a pre-arranged stock trading plan. Such trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Mr. ten Bosch’s plan provides for, subject to certain market price limits and other terms set forth in the plan, the sale of up to 6,300 shares of Class A common stock between December 14, 2026 and February 26, 2027.

On September 8, 2026, Thomas Lynch, our General Counsel, entered into a pre-arranged stock trading plan. Such trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Mr. Lynch’s plan provides for, subject to certain market price limits and other terms set forth in the plan, the exercise of up to 9,420 stock options and sale of the underlying shares of Class A common stock, between December 10, 2026 and March 9, 2027. The description of Mr. Lynch’s prior pre-arranged stock trading plan, as

disclosed in the Company's Quarterly Report on Form 10-Q filed on August 5, 2026, inadvertently underreported the number of shares subject to such plan by 16,886 shares of Class A common stock. Mr. Lynch's June 8, 2026 plan provided for, subject to certain market price limits and other terms set forth in the plan, the exercise of up to 55,112 stock options and sale of the underlying shares of Class A common stock, between September 8, 2026 and December 9, 2026. All shares subject to the plan had been sold as of September 17, 2026, as reported in Mr. Lynch's Form 4 filings.

On September 8, 2026, Nancy Johnson, our Senior Vice President of Sales and Commercial Operations, entered into a pre-arranged stock trading plan. Such trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Ms. Johnson's plan provides for, subject to certain market price limits and other terms set forth in the plan, the exercise of up to 30,000 stock options and sale of the underlying shares of Class A common stock, between January 4, 2027 and March 31, 2027.

Item 6. Exhibits

(a) Exhibits

Exhibit No	Description of Exhibit	Form	File No.	Exhibit Number	Filing Date	Filed or Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of the Registrant	8-K	001-42934	3.1	November 10, 2025	
3.2	Amended and Restated Bylaws of Registrant	8-K	001-42934	3.2	November 10, 2025	
10.1	Lease Agreement between BillionToOne, Inc. and TPI Investors 21, LLC, dated April 19, 2024	10-Q	001-42934	10.1	August 05, 2026	
10.2	First Amendment to Lease Agreement between BillionToOne, Inc. and Tarlton-Reger Owner, LLC (as successor-in-interest to TPI Investors 21, LLC), dated August 29, 2025	10-Q	001-42934	10.2	August 05, 2026	
10.3	Second Amendment to Lease Agreement between BillionToOne, Inc. and Tarlton-Reger Owner, LLC (as successor-in-interest to TPI Investors 21, LLC), dated September 15, 2026					X
10.4	Lease Agreement between BillionToOne, Inc. and Whipple Road Portfolio, LLC, dated June 23, 2026	10-Q	001-42934	10.3	August 05, 2026	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
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 formatted as Inline XBRL and contained in Exhibit 101

* The certifications furnished in Exhibits 32.1 and 32.2 are not deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BillionToOne, Inc.

Date: November 4, 2026

By: /s/ Oguzhan Atay

Oguzhan Atay
Chief Executive Officer
(Principal Executive Officer)

Date: November 4, 2026

By: /s/ Ross Taylor

Ross Taylor
Chief Financial Officer
(Principal Financial and Accounting Officer)

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "**Amendment**") is made as of September 15, 2026, by and between **Tarlton-Reger Owner, LLC,** a Delaware limited liability company ("**Landlord**"), and **BILLIONTOONE, INC.**, a Delaware corporation ("**Tenant**").

RECITALS

WHEREAS, Landlord (as successor-in-interest to **TPI INVESTORS 21, LLC**, a California limited liability company), and Tenant are parties to that certain Lease dated April 19, 2024 (the "**Original Lease**"), as amended by that certain First Amendment to Lease dated August 29, 2025 (the "**First Amendment**" and collectively with the Original Lease referred to herein as the "**Lease**"), with respect to certain premises to be located within a three story building to be constructed by Landlord (the "**Building**") containing approximately 229,236 rentable square feet (the "**Premises**").

WHEREAS, Landlord and Tenant desire to amend the Lease to adjust the size of the Premises and modify other provisions of the Lease, all as more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree that the Lease is amended as follows:

1. **Defined Terms**. Capitalized terms used and not otherwise defined herein shall have the same meanings ascribed to them in the Lease.

2. **Definition of the Premises**. Pursuant to Paragraph 1(c) of the Lease, there is a change to the expected square footage set forth in the definition of Premises. Therefore, the first sentence of Paragraph 1(a) of the Lease is hereby deleted in its entirety and replaced with the following language,

3. "(a) Beginning on the Commencement Date (as defined in Paragraph 2(a)), Landlord hereby leases to Tenant, and Tenant leases from Landlord, at the rental rate and upon the terms and conditions set forth herein, all of the interior space in the Building which is expected to be approximately 229,236 rentable square feet (the "**Premises**"), together with the right to use Tenant's share of on-site parking spaces pursuant to Paragraph 28."

4. **Monthly Base Rent**. Paragraph 4(a) of the Lease is hereby amended to delete the Monthly Base Rent chart included therein in its entirety and replace with the Monthly Base Rent chart as follows:

Months	$/SF/Mo./NNN	Monthly Base Rent (based on 229,236 RSF)
1-9*	$4.6500	$1,065,947.40
10-12**	$4.6500	$1,065,947.40

13-24	$4.7895	$1,097,925.82
25-36	$4.9332	$1,130,863.59
37-48	$5.0812	$1,164,789.51
49-60	$5.2336	$1,199,733.20
61-72	$5.3906	$1,235,725.20
73-84	$5.5523	$1,272,796.96
85-96	$5.7189	$1,310,980.87
97-108	$5.8905	$1,350,310.30
109-120	$6.0672	$1,390,819.61
121-132	$6.2492	$1,432,544.20
133-144	$6.4367	$1,475,520.54
145-156	$6.6298	$1,519,786.16
157-168	$6.8287	$1,565,379.74
169-180	$7.0335	$1,612,341.13
181-189	$7.2445	$1,660,711.36

In addition to the Monthly Base Rent amounts set forth above, Tenant shall pay the monthly installments of the Additional Allowance Amount (as defined in Section 7 of this Amendment) commencing on the Commencement Date and continuing on the first day of each calendar month thereafter until the end of the Term.

5. **Abated Base Rent**. Section 4(a) of the Lease is hereby revised to provide that the amount of the Abated Base Rent for the Base Rent Abatement Period shall be equal to the total amount of Nine Million Five Hundred Ninety-Three Thousand Five Hundred Twenty-Six and 60/100 Dollars ($9,593,526.60), which amount is attributed to the first (1st) month through and including the ninth (9th) month following the Commencement Date, in accordance with the schedule set forth above.

6. **Additional Abated Base Rent**. Section 3 of the First Amendment is hereby revised to provide that the amount of the Additional Abated Base Rent for the Additional Base Rent Abatement Period shall be equal to the total amount of Three Million One Hundred Ninety-Seven Thousand Eight Hundred Forty-Two and 20/100 Dollars ($3,197,842.20), which

amount is attributed to the tenth (10th) month through and including the twelfth (12th) month following the Commencement Date, in accordance with the schedule set forth above.

7. **Tenant Improvement Allowance.** The first sentence of Paragraph 5(a) of the Work Letter attached to the Lease as Exhibit "F" is hereby deleted in its entirely and replaced with the following language,

> "(a) Landlord shall contribute up to, but not exceeding One Hundred Eighty and 00/100 Dollars ($180.00) per rentable square foot of the Premises (i.e., up to Forty-One Million Two Hundred Sixty-Two Thousand Four Hundred Eighty and 00/100 Dollars ($41,262,480.00) based on 229,236 RSF, such RSF being subject to adjustment in accordance with Paragraph 1(c) of the Lease), for costs relating to the initial design and construction of the Tenant Improvements (the "**Tenant Improvement Allowance**")."

8. **Additional Allowance**. Pursuant to Paragraph 5(c) of the Work Letter attached to the Lease as Exhibit "F", prior to the date of this Amendment, Tenant exercised its option to increase the Tenant Improvement Allowance up to an additional $20.00 per rentable square foot of the Premises (i.e., up to an additional Four Million Five Hundred Eighty-Four Thousand Seven Hundred Twenty and 00/100 Dollars ($4,584,720.00) based on 229,236 RSF, such RSF being subject to adjustment in accordance with Paragraph 1(c) of the Lease) (the "**Additional Allowance**") for the costs reasonably relating to the design and construction of the Tenant Improvements. The Additional Allowance used shall be amortized into the Monthly Base Rent at ten percent (10%) per annum over the Term commencing on the Commencement Date, but excluding the Base Rent Abatement Period. Accordingly, effective as of the Commencement Date, but excluding the Base Rent Abatement Period, the Monthly Base Rent shall increase by an amount equal to Forty-Nine Thousand Two Hundred Sixty-Seven and 64/100 Dollars ($49,267.64) (the "**Additional Allowance Amount**") per month. Tenant shall pay the monthly installments of the Additional Allowance Amount concurrently with the applicable Monthly Base Rent set forth in Section 3 of this Amendment commencing on the Commencement Date and continuing on the first day of each calendar month thereafter until the end of the Term.

9. **Excess Cost**. The definition of Excess Cost set forth in Paragraph 5(a) of the Work Letter attached to the Lease as Exhibit "F" is hereby amended to mean, "The amount by which the estimated costs of the Tenant Improvement exceed the Tenant Improvement Allowance and the Additional Allowance shall mean the "**Excess Cost**".

10. **Notice of Exclusive Use**. Tenant hereby acknowledges that the Lease is subject to the following use restrictions set forth in those notices of exclusives uses recorded against the Property and attached hereto as Exhibit A (collectively, the "**Exclusive Use Notices**"): (a) that certain Notice of Exclusive Use for East Village [Lot 2, Block A, EastVillage RA-2 and RA-3] recorded on July 22, 2025 in the Travis County official records; (b) that certain Notice of Exclusive Use for East Village [Lot 4, EastVillage RA-19-21] recorded on July 23, 2025 in the Travis County official records; and (c) that certain Notice of Exclusive Use for East Village [Lot 1, EastVillage RA-19-21] recorded on July 23, 2025 in the Travis County official records.

11. **Brokers**. Each party represents and warrants to the other party that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Amendment, and shall indemnify, defend and hold harmless the other party against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of

any arrangements or agreements made or alleged to have been made by or on behalf of such party.

12. **Continuing Effectiveness**. The Lease, except as amended hereby, remains unamended, and, as amended hereby, remains in full force and effect.

13. **Counterparts; Electric Signatures**. This Amendment may be executed in any number of counterparts, each of which, when executed by a party, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Electronic transmission signatures of any of the parties shall be deemed to be original signature in connection with the execution of this Amendment or any modification of the Lease.

14. **Confidentiality**. All of the terms and provisions of this Amendment and all documents and correspondence relating thereto shall be kept confidential by Tenant and the terms and provisions thereof shall not be disclosed without the prior written consent of Landlord.

15. **Authorization.** The parties signing on behalf of Tenant each hereby represents and warrants that such party has the capacity set forth on the signature pages hereof and has full power and authority to bind Tenant to the terms hereof.

(SIGNATURES ON NEXT PAGE)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

"LANDLORD"

Tarlton-Reger Owner, LLC,
a Delaware limited liability company

By: /s/ Jeff Uittenbogaard

Print Name: Jeff Uittenbogaard

Title: Authorized Signatory

"**TENANT"**

BillionToOne, Inc.,
a Delaware corporation

By: /s/ Oguzhan Atay

Print Name: Oguzhan Atay

Title: Chief Executive Officer

Exhibit A

Exclusive Use Notices

[Attached]

Exhibit 31.1

CERTIFICATION 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

I, Oguzhan Atay, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BillionToOne, Inc.;

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(s) 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)) 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) [Omitted];

(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(s) 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 4, 2026

By: /s/ Oguzhan Atay
Oguzhan Atay
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION 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

I, Ross Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BillionToOne, Inc.;

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(s) 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)) 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) [Omitted];

(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(s) 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 4, 2026

By: /s/ Ross Taylor
Ross Taylor
Chief Financial Officer
(Principal Financial and Accounting 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 BillionToOne, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: November 4, 2026

By: /s/ Oguzhan Atay
Oguzhan Atay
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 BillionToOne, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: November 4, 2026

By: /s/ Ross Taylor

Ross Taylor
Chief Financial Officer
(Principal Financial and Accounting Officer)