natera™

2025 Annual report

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number: 001-37478

NATERA, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**01-0894487**
State or Other Jurisdiction of Incorporation or Organization	**(I.R.S. Employer Identification No.)**
13011 McCallen Pass Building A Suite 100 Austin, TX	**78753**
(Address of Principal Executive Offices)	**(Zip Code)**

(650) 980-9190

Registrant's Telephone Number, Including Area Code

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.0001 per share	**NTRA**	**The Nasdaq Stock Market LLC (Nasdaq Global Select Market)**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately $21.83 billion based on the last reported sale price of $168.94 per share as reported on the Nasdaq Global Select Market on June 30, 2025, the last trading day of the most recently completed second fiscal quarter.

As of February 20, 2026, the number of outstanding shares of the registrant's common stock, par value $0.0001 per share, was 141,731,250.

DOCUMENTS INCORPORATED BY REFERENCE

Information required in response to Part III of this annual report on Form 10-K is hereby incorporated by reference to portions of the Registrant's proxy statement for its Annual Meeting of Stockholders to be held in 2026. The proxy statement will be filed by the registrant with the Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended December 31, 2025.

Natera, Inc.

FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2025

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. The forward-looking statements are contained principally in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," but are also contained elsewhere in this report. Forward-looking statements include information concerning our future results of operations and financial position, strategy and plans, and our expectations for future operations. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "seek," "should," "would" or the negative version of these words and similar expressions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those described in "Risk Factors" and elsewhere in this report. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our beliefs and assumptions only as of the date of this report. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. You should read this report completely and with the understanding that our actual future results may be materially different from what we expect.

These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding revenue, expenses and other operating results;
- our expectation that, for the foreseeable future, a significant portion of our revenues will be derived from sales of Signatera, Panorama, and Horizon;
- our ability to increase demand and reimbursement for our tests;
- our expectation that Panorama will be adopted for the screening of microdeletions and that third-party payer reimbursement will be available for this testing, including our expectations that the results from our Single nucleotide polymorphism-based Microdeletion and Aneuploidy RegisTry, or SMART, Study may support broader use of and reimbursement for the use of Panorama for microdeletions;
- our expectations of the reliability, accuracy, and performance of our tests, as well as expectations of the benefits of our tests to patients, providers, and payers;
- our ability to successfully develop additional revenue opportunities and expand our product offerings to include new tests;
- our efforts to successfully develop and commercialize, or enhance, our products;
- our ability to comply with federal, state, and foreign regulatory requirements, programs and policies, our expectations regarding the potential impact of governmental regulations on our business and operations, and our ability to successfully operate our business in response to changes in such requirements, programs, policies and regulations;
- our ability to respond to, defend, or otherwise favorably resolve litigation or other proceedings, including investigations, subpoenas, demands, disputes, requests for information, and other regulatory or administrative actions or proceedings, including associated litigation costs we may incur and our assumptions regarding any potential liabilities associated with our existing litigation matters;
- the effect of improvements in our cost of goods sold;
- our estimates of the total addressable markets for our current and potential product offerings;
- our ability and expectations regarding obtaining, maintaining and expanding third-party payer coverage of, and reimbursement for, our tests;
- the effect of changes in the way we account for our revenue;
- the scope of protection we establish and maintain for, and developments or disputes concerning, our intellectual property or other proprietary rights, including associated litigation costs we may incur and our assumptions regarding any potential liabilities associated with our existing litigation matters;
- our ability to successfully compete in the markets we serve;

- our reliance on collaborators such as medical institutions, contract laboratories, laboratory partners, and other third parties;
- our ability to operate our laboratory facilities and meet expected demand, and to successfully scale our operations;
- our reliance on a limited number of suppliers, including sole source suppliers, which may impact our ability to maintain a continued supply of laboratory instruments and materials and to run our tests;
- our expectations of the rate of adoption of our current or future tests by laboratories, clinics, clinicians, payers, and patients;
- our ability to complete clinical studies and publish compelling clinical data in peer-reviewed medical publications regarding our current and future tests, and the effect of such data or publications on professional society or practice guidelines or coverage and reimbursement determinations from third-party payers, including our SMART and CIRCULATE-Japan studies and our ongoing and planned trials in oncology and organ health;
- our reliance on our partners to market and offer our tests in the United States and in international markets;
- our expectations regarding acquisitions, dispositions and other strategic transactions and our ability to successfully integrate Foresight Diagnostics, Inc. into our business operations;
- our ability to control our operating expenses and fund our working capital requirements;
- the factors that may impact our financial results, including our revenue recognition assumptions and estimates; and
- anticipated trends and challenges in our business and the markets in which we operate.

Any forward-looking statement made by us in this report speaks only as of the date on which it is made. Except as required by law, we disclaim any obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

SUMMARY OF RISK FACTORS

The below is a summary of principal risks to our business and risks associated with ownership of our stock. This summary does not address all of the risks that we face. We encourage you to carefully review the full risk factors contained in this Annual Report on Form 10-K in their entirety for additional information regarding the material factors that make an investment in our securities speculative or risky. These risks and uncertainties include, but are not limited to, the following:

- if we are unable to successfully grow revenues for our products or services, and if our efforts to further increase the use and adoption of our products or to develop new products and services in the future do not succeed, our business will be harmed;
- we have incurred net losses since our inception, and we anticipate that we will continue to incur losses for the near future, which could harm our future business prospects;
- we have incurred indebtedness that may decrease our business flexibility, access to capital, and/or increase our borrowing costs, which may adversely affect our operations and financial results;
- our quarterly results may fluctuate from period to period, which could adversely impact the value of our common stock;
- competition in our industry is intense, and if we are unable to compete successfully with respect to our current or future products or services, we may be unable to increase or sustain our revenues or achieve profitability;
- our estimates of total addressable market opportunities and forecasts of market growth may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates;
- if we are unable to expand, maintain or obtain third-party payer coverage and reimbursement for Signatera, Panorama, Horizon and our other tests, or if we are required to refund any reimbursements already received, our revenues and results of operations would be adversely affected;

- if our sales, distribution, development or other partnerships are not successful and we are not able to offset the resulting impact through our own efforts or through agreements with new partners, our commercialization activities may be impaired and our financial results could be adversely affected;
- litigation or other proceedings resulting from either third party claims of intellectual property infringement, or asserting infringement by third parties of our technology, is costly, time consuming, and could limit our ability to commercialize our products or services;
- we rely on a limited number of suppliers or, in some cases, single suppliers, for some of our laboratory instruments and materials and may not be able to find replacements or immediately transition to alternative suppliers;
- we may be subject to increased compliance risks as a result of our rapid growth, including our dependence on our sales, marketing and billing efforts;
- we may engage in acquisitions, dispositions or other strategic transactions that could disrupt our business, cause dilution to our stockholders or reduce our financial resources;
- our revenues may be adversely impacted if third party payers withdraw coverage or provide lower levels of reimbursement due to changing policies, billing complexities or other factors;
- if the FDA were to begin actively regulating our tests, we could incur substantial costs and delays associated with trying to obtain premarket 510(k) clearance, de novo classification, or premarket approval, and incur costs associated with complying with post-market controls; and
- recent macroeconomic pressures resulting from ongoing geopolitical or other matters may have an adverse impact on our business, financial results and prospects.

As used in this Annual Report on Form 10-K, the terms “Natera,” “Registrant,” “Company,” “we,” “us,” and “our” mean Natera, Inc. and its subsidiaries unless the context indicates otherwise.

PART I

Item 1. BUSINESS

Note: A glossary of terms used in this Form 10-K appears at the end of this Item 1.

Overview

We are a diagnostics company with proprietary molecular and bioinformatics technology that we are applying to change disease management worldwide. Our cell-free DNA, or cfDNA, technology combines our novel molecular assays, which reliably measure many informative regions across the genome from samples as small as a single cell, with our statistical algorithms that incorporate data available from the broader scientific community to identify genetic variations covering a wide range of serious conditions with high accuracy and coverage. We aim to make personalized genetic testing and diagnostics part of the standard of care to protect health and inform earlier and provide more targeted interventions that help lead to longer, healthier lives.

We focus on applying our technology to three main areas of healthcare – oncology, women's health, and organ health. Since 2009, we have launched a comprehensive suite of products to improve patient care outcomes in these areas. In oncology, we commercialize personalized blood-based DNA tests designed to optimize therapy decisions from diagnosis to survivorship. In the women's health space, we develop and commercialize non- or minimally- invasive tests to support a range of women's health needs, from prenatal testing to hereditary cancer screening. In organ health, we offer tests to assess kidney, heart, and lung transplant rejection as well as genetic testing for chronic kidney disease. We intend to continue to enhance our existing products, expand our product portfolio, and launch new products in the future. In addition to our direct sales force in the United States, we have a global network of over 100 laboratory and distribution partners, including several of the largest international laboratories. We are committed to generating peer-reviewed clinical evidence for our tests, with over 350 peer-reviewed publications as of December 31, 2025, and to maintaining a strong intellectual property portfolio, with over 650 issued or pending patents as of December 31, 2025.

Our revenues were $2,306.1 million in 2025 compared to $1,696.9 million in 2024 and $1,082.6 million in 2023. Our product revenues were $2,295.8 million, $1,685.1 million, and $1,068.5 million for the years ended December 31, 2025, 2024, and 2023, respectively. Our net losses increased to $208.2 million in 2025, from $190.4 million in 2024 and decreased from $434.8 million in 2023. We processed approximately 3.5 million tests in 2025, compared to approximately 3.1 million tests in 2024 and 2.5 million tests in 2023.

We are headquartered in Austin, Texas, with laboratory facilities located in Austin, Texas, San Carlos, California and Boulder, Colorado.

Our Solution

In oncology, women's health, and organ health, the use of blood-based tests offers significant advantages over older and more invasive methods, but the significant technological challenge is that such testing often requires the measurement of very small amounts of relevant genetic material – tumor DNA in oncology, fetal DNA in reproductive health, and donor DNA in transplant rejection – circulating within a much larger blood sample. Our approach combines proprietary molecular biology and computational techniques to measure genomic variations in tiny amounts of DNA, as small as a single cell. Our core technology has, to date, been proven across these three diverse fields of oncology, women's health, and organ health.

DNA is the molecule that carries genetic information in an organism. Differences in the specific sequence and structure of the chemical building blocks, or bases, that make up DNA drive biological diversity, including genetic mutations; with certain variations causing disease. An example of genetic diversity is a change in a single chemical base. When single base changes are common in the population, that position on the chromosome is called a single nucleotide polymorphism, or SNP.

Our molecular biology techniques are based on measuring thousands of SNPs simultaneously, using massively multiplexed polymerase chain reaction, or mmPCR, to multiplex, or target, many thousands of regions of the genome simultaneously in a single test reaction. Our method avoids losing molecules, which can happen when samples are split into separate reaction tubes, so that all relevant variants can be detected. To make sense of the resulting deep and rich set of biological data and deliver a test result, we have developed computationally intensive algorithms that combine the data generated by mmPCR with our internal databases and the vast and growing sources of publicly available genomic information to build highly detailed models of the genomic regions of interest. Our technologies allow us to achieve a high signal-to-noise ratio when detecting fragments of DNA at frequencies as low as a single copy, which allows us to deliver tests with a high degree of specificity and sensitivity. Furthermore, our tests can be applied to assess a range of conditions and disease types, including a broad range of cancer types; common fetal aneuploidies, microdeletions, triploidy, and inherited genetic conditions that could be passed on from parent to child; rejection of heart, lung, and kidney transplants; and genetic bases of kidney disease.

We believe our approach represents a fundamental advance in molecular biology. For example, in oncology, with our Signatera circulating tumor DNA, or ctDNA, test that is custom designed for, informed by and specific to the tumor DNA for each patient, we have demonstrated the ability to detect ctDNA with a high degree of sensitivity and specificity. In women's health, our approach is distinct from the approach employed with other commercially available NIPTs, which use first-generation "quantitative", or counting, methods to compare the relative number of sequence reads from a chromosome of interest to a reference chromosome. Based on data published in journals including *Obstetrics & Gynecology*, *American Journal of Obstetrics & Gynecology*, and *Prenatal Diagnosis*, we believe Panorama is the most accurate NIPT commercially available in the United States. In organ health, we have demonstrated the ability of our technology to measure the fraction of cell-free DNA that is donor-derived, or dd-cfDNA, which is DNA that is shed from a transplanted organ into circulation, each demonstrating a high area under the curve, or AUC, in validation studies in each of heart, lung, and kidney.

Our technology is compatible with standard equipment used globally and a range of next generation sequencing, or NGS, platforms, and we have optimized our algorithms to enable laboratories around the world to run tests locally and access our algorithms in the cloud using our Constellation platform. We sell our tests directly and partner with other clinical laboratories to distribute our tests globally. Currently, all of our products other than our Constellation cloud software product are laboratory developed tests, or LDTs. We perform commercial testing in our CLIA-certified laboratories.

Oncology

In oncology, we have been initially focused on detecting molecular residual disease, or MRD, and recurrence monitoring in solid tumors, where we have generated data in over a dozen different cancer types and have published data in, among others, colorectal, bladder, breast, and lung cancer, as well as multiple myeloma and other tumor types. Molecular residual disease is the presence of small traces of cancer in the blood, such as ctDNA or microscopic pieces of tumor DNA that are often undetectable with standard imaging techniques. If left untreated, residual cancer cells can multiply and cause recurrence. MRD testing and molecular monitoring offers the potential for physicians to change or escalate treatment in patients who are MRD-positive, and to de-escalate or avoid unnecessary treatment in patients who are MRD-negative. It also holds potential as a surrogate endpoint in clinical trials.

In December 2025, we acquired Foresight Diagnostics, a cancer diagnostics company whose ctDNA-based MRD tests leverage patented technology that targets phased variants. Phased variants are multiple genetic mutations that occur on the same DNA molecule; targeting phased variants has been shown to achieve test performance with a limit of detection, or LOD, 95 of 0.3 parts per million and detection below 0.1 part per million. In addition, with the acquisition, we have expanded our focus to include lymphoma.

The total addressable market in the United States for recurrence monitoring for solid tumor cancers, including immunotherapy treatment response monitoring, is estimated to be approximately $21 billion, and for blood cancers is estimated to be approximately $3 billion.

We are also leveraging our experience in MRD assay development to research, develop and clinically validate an early cancer detection test, with an initial focus on colorectal cancer.

Signatera

Signatera is our personalized ctDNA blood test for MRD assessment, early recurrence monitoring, and evaluation of treatment response in patients previously diagnosed with cancer. Each patient receives a custom assay that tracks the presence of tumor-specific clonal mutations that are selected based on the unique mutational signature found in that patient's tumor tissue, which is intended to maximize accuracy for detecting the presence or absence of residual disease in a blood sample, even at a sample-level average variant allele frequency, or VAF, of mutations as low as 0.0002% in the blood. We believe this tumor-informed approach is optimal in the MRD setting, in which it is common for tumor DNA to be present only at low frequencies immediately after treatment. Unlike static liquid biopsy panels (also known as therapy selection) or comprehensive genomic profiling, or CGP, which screen for a generic set of mutations independent of an individual's tumor, Signatera is not intended to match patients with any particular therapy. Rather, it is intended to detect and assess how much cancer is left in the body (offering both a qualitative and quantitative measurement), detect recurrence earlier, and help optimize treatment decisions. Signatera has been shown to detect residual disease earlier than clinical or radiological recurrence in patients with solid tumors who have received treatment.

We offer Signatera commercially for clinical use as an LDT in our own CLIA-certified and CAP-accredited laboratories. We also offer Signatera for research use only to cancer researchers and biopharmaceutical companies. Signatera is covered by Medicare for use in the adjuvant and recurrence monitoring settings in patients with certain forms of colorectal cancer, muscle invasive bladder cancer, advanced breast cancer in certain settings, and advanced ovarian cancer; in non-small cell lung cancer in the surveillance setting, and for immunotherapy response monitoring for all solid tumor types in any patient for whom immunotherapy is indicated. Signatera is also covered under the coverage policies of certain commercial third-party payers, including a pan-cancer coverage policy for adjuvant, recurrence monitoring and treatment monitoring for solid tumors. Signatera has been granted Advanced Diagnostic Laboratory Test, or ADLT, status by the Centers for Medicare & Medicaid Services. In addition, Signatera has been granted Breakthrough Device Designations by the FDA covering its use in various applications.

Signatera has been shown in various clinical studies – including over 170 peer-reviewed publications as of December 31, 2025 – to identify MRD significantly earlier than standard diagnostic tools, and that Signatera test status is a significant indicator of long-term patient outcomes after surgery and treatment, relative to other clinical and pathological factors. In particular, we have demonstrated in studies across multiple tumor types, including colon, breast, lung and bladder, that a positive Signatera test result, without further treatment, has predicted relapse with an overall PPV of over 98%. Furthermore, a study published in *Clinical Cancer Research* demonstrated the ability of Signatera to assess the rate of change in quantity over time, or velocity, of ctDNA in early-stage colorectal cancer patients, providing additional information that may be used to predict patient survival and outcomes, further stratify MRD-positive patients, and inform disease management. Signatera has also been shown, in an analysis published in *Nature Medicine*, to be able to predict overall survival in colorectal cancer patients as well as overall survival benefit from adjuvant chemotherapy. We are continuing to generate data, building evidence of the clinical validity and utility of the test across multiple cancer types and in collaboration with leading universities and cancer centers, NIH's National Cancer Institute, or NCI, non-profit cancer research groups, and pharmaceutical companies.

Latitude

We recently launched Latitude, our blood-based MRD test for colorectal cancer that does not require a tumor tissue sample. Latitude has been shown to perform with high sensitivity and specificity in detecting residual disease in this cancer type. When a Signatera test is ordered, the provider can request that the blood sample be automatically tested with Latitude if the tissue sample is unavailable or insufficient to create a Signatera assay for the patient.

Altera

Altera is our tissue based comprehensive genomic profiling test that provides insight into genomic alterations and biomarkers found in a patient's tumor, supporting treatment decisions and therapy selection by identifying potentially beneficial therapies based on the patient's tumor biomarkers and cancer type. Based on our internal estimates, therapy selection represents an approximate $7.0 billion market opportunity. Altera can be ordered as a stand-alone test, as well as in conjunction with our Signatera MRD test to combine therapy selection with ongoing monitoring.

Empower

Empower, our hereditary cancer screening test, offers five panel options across 12 common hereditary cancer types, and customizable panels with over 190 gene options. We offer Empower through our oncology commercial channel as well as our women's health channel. Information from the test can help determine if a patient who has been diagnosed with cancer is a carrier of a mutation associated with their cancer. This can inform surgical and therapeutic decisions, as well as provide an opportunity to notify family members who may be at similar risk for hereditary cancer.

Women's Health

We provide testing to support a spectrum of women's health needs, from family planning and prenatal testing to hereditary cancer screening.

Panorama

We launched Panorama, our non-invasive prenatal test, or NIPT, in 2013 and have since gone from being the fourth company to enter the NIPT market to being the market leader by volume in the United States. Panorama helps physicians assess the risk of fetal genetic abnormalities by non-invasively screening for fetal chromosomal abnormalities, including Down syndrome, Edwards syndrome, Patau syndrome, Turner syndrome and triploidy, which often result in intellectual disability, severe organ abnormalities and miscarriage. Panorama also screens for five of the most common genetic diseases caused by microdeletions – 22q11.2 deletion syndrome (DiGeorge syndrome), 1p36 deletion, Angelman syndrome, Cri-du-chat syndrome and Prader-Willi syndrome. Diseases caused by microdeletions are often not detected via common screening techniques such as ultrasound or hormone-based screening, yet the presence of a microdeletion can impact prenatal and postnatal treatment. For example, when learning prior to birth that a newborn has 22q11.2 deletion syndrome, doctors will know to monitor the infant and administer calcium if needed to avoid seizures and permanent cognitive impairment, and may decide to delay live vaccine administration due to the immunodeficiency frequently associated with this condition. Unlike Down syndrome, where the risk increases with maternal age, the risk of the five microdeletions that Panorama screens for is independent of maternal age. Based on data published in *Prenatal Diagnosis* and *American Journal of Obstetrics & Gynecology*, the combined prevalence of these targeted microdeletions is approximately one in 1,000 pregnancies, which collectively makes them more common than Down syndrome for women approximately 28 years of age or younger. In particular, 22q11.2 is the most common microdeletion; a key finding from our SNP-based Microdeletions and Aneuploidy RegisTry (SMART) study described below was a higher-than-expected prevalence of 22q11.2 deletion syndrome of one in 1,524 pregnancies in the study cohort.

Panorama can also identify fetal sex for single birth pregnancies as well as of each fetus in twin pregnancies, and has demonstrated the ability to identify fetal sex more accurately than competing NIPTs. This is partially a result of Panorama's unique ability to detect a vanishing twin, which is a known driver of fetal sex errors with the quantitative methods used by our competitors. The *American Journal of Obstetrics & Gynecology* noted that the ability of Panorama to identify additional fetal haplotypes is expected to result in fewer false positive calls and prevent incorrect fetal sex calls compared to other methods.

In 2024, we launched our Fetal RhD NIPT, which assesses fetal rhesus factor, or RhD, status to help inform decisions regarding administering RhD immune globulin to RhD negative pregnant patients. Pregnant patients with an RhD-negative blood type and carrying an RhD-positive fetus can, if the maternal and fetal blood mixes during pregnancy, produce antibodies, or alloimmunize, against fetal RhD in response. This can put subsequent pregnancies with an RhD-positive fetus at risk for anemia and potentially life-threatening complications. The standard of care in the U.S. is to administer RhD immune globulin to RhD-negative pregnant patients; however, according to ACOG, an estimated 40% of RhD-negative patients have an RhD-negative fetus and therefore receive RhD immune globulin unnecessarily. The clinical validation study of this test, published in *Obstetrics & Gynecology*, demonstrated greater than 99% sensitivity and specificity in identifying fetal RhD status.

Panorama demonstrates the capabilities of our technology by employing our fundamentally unique approach of simultaneously measuring thousands of SNPs in a single test reaction to identify genetic variations in fetal DNA with a high degree of specificity and sensitivity, which we believe can give patients and their physicians a greater degree of comfort in choosing to forego unnecessary invasive procedures, limiting the resulting risk of spontaneous miscarriage associated with invasive procedures and lowering the total cost to the healthcare system of these procedures. Furthermore, with recent technological advances validated in the SMART study, Panorama leverages artificial intelligence to enable highly accurate results on samples for which a result would otherwise be difficult to determine. Panorama screens for common genetic conditions that affect both high-risk pregnancies, where maternal age is 35 years or older, which we estimate represent approximately 1.0 million of the approximately 5.36 million pregnancies in the United States, and average-risk pregnancies, which we estimate represent approximately 4.36 million pregnancies in the United States.

Panorama is performed on a maternal blood sample and can be performed as early as nine weeks into a pregnancy, which is significantly earlier than traditional methods, such as serum protein measurement, whereby doctors measure the presence and amount of certain hormones in the blood. Panorama starts with a simple blood draw from the mother, either in a doctor's office, in a laboratory or through a phlebotomist that travels to the patient, and the sample is sent to one of our CLIA-certified and CAP-accredited laboratories for processing. After Panorama generates its result, we provide the doctor or the laboratory with a report showing whether there is a high risk or low risk that abnormalities are present in the fetus.

The analytic and clinical validity of our technology demonstrated in NIPT has been described in more peer-reviewed publications covering more patients than our competitors. The SMART study, published in the *American Journal of Obstetrics and Gynecology*, evaluated the performance of cfDNA screening for aneuploidies T21, T18 and T13, as well as 22q11.2 by tracking birth outcomes in the general population among women who presented clinically and elected Panorama microdeletions and aneuploidy screening as part of their routine care. Over 17,000 aneuploidy cases and over 18,000 22q11.2 deletion syndrome cases were analyzed. In particular, Panorama demonstrated sensitivity of approximately 99%, specificity of over 99.9%, and a PPV of 95% for T21 in the SMART study. Based on a publication in the *Journal of Clinical Medicine*, Panorama has demonstrated greater than 99% overall sensitivity and greater than 99.9% overall specificity for T21, T18 and T13. Furthermore, a paper published in *Obstetrics & Gynecology* reported that Panorama had a statistically significant lower false positive rate than other NIPT methods practiced by our U.S. competitors. In the SMART study, Panorama demonstrated sensitivity for 22q11.2 deletion syndrome of 83%, clinical PPV of approximately 53%, and a false positive rate of 0.05% using our updated artificial intelligence algorithm.

Panorama can distinguish between each twin's DNA, and therefore can determine zygosity, or whether the twins are identical or fraternal, and the fetal sex of each twin. Determining zygosity early in a pregnancy can help guide the management of a pregnancy, as certain monozygotic, or identical twin, pregnancies are at higher risk for various complications such as twin-twin transfusion syndrome, where there is an unequal sharing of blood, and therefore unequal growth, between the twins. Panorama screens twin pregnancies for Down, Edwards and Patau syndromes and, for identical twins, Turner syndrome and 22q11.2 deletion syndrome, among others. In validation studies, Panorama identified identical twins with over 99% sensitivity and specificity and achieved a combined sensitivity of over 99% and specificity of over 99% for Down, Edwards and Patau syndromes in twin pregnancies.

Horizon

Our Horizon carrier screening test helps individuals and couples determine if they are carriers of single-gene variations that cause certain genetic conditions. Depending on the condition, if one or both parents are carriers, it could result in a child affected with the condition. Many people do not know they are a carrier for an inherited genetic condition until they have an affected child. These conditions are often rare and usually there is no family history, and although certain conditions are more common in certain ethnic groups, ethnicity may not be a reliable predictor of carrier status, as people are increasingly of mixed or uncertain ethnicities. The industry's approach to carrier screening has accordingly evolved over time, from screening targeting specific ethnicities with a higher incidence of screened conditions, to pan-ethnic screening for certain conditions based on incidence and clinical utility, and most recently to expanded screening for many conditions simultaneously.

Horizon was created based on recommended screening guidelines from ACOG, ACMG, and the Victor Center for the Prevention of Jewish Genetic Diseases. Horizon screens for up to 835 inherited conditions across a selection of screening panels, including Cystic Fibrosis, Duchenne Muscular Dystrophy, or DMD, Spinal Muscular Atrophy, Fragile X Syndrome and other conditions, and performs with a 99% detection rate for most conditions.

The sample required for Horizon can be obtained simultaneously with the sample required for Panorama, which makes it easier for us to offer, and for patients to take, both tests. Horizon employs various methodologies to analyze the DNA from the individual's blood or saliva sample to determine if the individual is a carrier for the genetic conditions being screened. These methodologies include next generation sequencing to detect single nucleotide variants, insertions and deletions, and copy number changes, and PCR fragment analysis to detect certain genetic variants.

Fetal Focus

We recently launched Fetal Focus, our single-gene NIPT, or sgNIPT, that screens for 21 single-gene inherited conditions such as cystic fibrosis and spinal muscular atrophy. This cfDNA test screens the fetus by analyzing a sample of a pregnant mother's blood. When a pregnant patient is identified as a carrier of a recessive single-gene condition, medical guidelines recommend partner testing in order to determine the risk for the baby to be affected by the condition; however, reproductive partners are not always available for, or do not complete, testing. Fetal Focus was designed to address this unmet need. Providers can order this test at the same time as our Horizon test and the test will be automatically run if the Horizon test identifies the patient as a carrier for one of the Fetal Focus conditions; it can also be ordered separately for Horizon carriers at any time without requiring another blood draw or Horizon test.

Other women's health products

While Panorama and Horizon represent the significant majority of our women's health revenues, we offer a portfolio of tests addressing reproductive and women's health.

Our Vistara single-gene NIPT screens for 25 single-gene conditions which affect quality of life, are often associated with cognitive disabilities and could benefit from early medical and/or surgical intervention. The conditions screened by Vistara have a combined incidence of approximately 1 in 600, which is higher than that of Down syndrome as well as Cystic Fibrosis; however, these conditions may otherwise go undetected until after birth or into childhood as traditional NIPTs do not screen for these conditions, prenatal ultrasound findings are not a reliable indicator, and family history is not a good indicator of risk for these conditions, which are commonly caused by new, and not inherited, mutations. Screening for these conditions early in a pregnancy can facilitate early diagnosis, enable patients to be referred to MFMs and other specialists, guide labor and delivery management, and allow families to mobilize resources, ask questions and anticipate future needs. We have received a CE Mark for Vistara from the European Commission. In validation studies, Vistara demonstrated a combined analytical sensitivity and analytical specificity of greater than 99%.

Anora, our products of conception, or POC, test, analyzes miscarriage tissue from women who have experienced one or more pregnancy losses to determine whether there was an underlying chromosomal reason for the loss. Anora can detect trisomy, triploidy, extra or missing chromosome pieces, and uniparental disomy. The Anora test is helpful to obstetricians, gynecologists and IVF physicians in supporting their patients' reproductive goals. Anora can help couples understand the likelihood of another miscarriage, their future reproductive options, and whether there are any steps that could help them avoid a miscarriage in future pregnancies.

Empower, our hereditary cancer screening test, can lead to earlier detection of cancer, identify cancer risk-reducing strategies, inform surgical and therapeutic decisions following a cancer diagnosis, and provide an opportunity to notify family members who may be at similar risk for hereditary cancer. We sell this test through both our women's health and oncology commercial channels.

Organ Health

Prospera

Our Prospera test is used to assess active rejection in patients who have undergone solid organ transplantation by measuring the fraction and quantity of dd-cfDNA in the recipient's blood, which can spike relative to background cfDNA when the transplanted organ is injured due to immune rejection. The current tools for assessing organ transplant rejection are either invasive (biopsies) or inaccurate (serum creatinine for kidney transplants, for example), resulting in an unmet need for better diagnostic tools to monitor for allograft rejection and improve patient management and outcomes. Many patients are still subjected to unnecessary biopsies, while other patients remain undiagnosed in the case of subclinical rejection, which can increase the risk of graft failure. Our Prospera test is designed for use by physicians to help identify early signals of active rejection to enable earlier follow-up testing, treatment, and management decisions, and thereby potentially lowering the overall costs associated with transplant care and improving graft survival. Based on our internal estimates, we believe the total addressable market in the United States for tests such as ours that assess kidney, heart and lung transplant rejection is over $3.8 billion.

Our original clinical validation study for Prospera Kidney, conducted in collaboration with the University of California, San Francisco, a recognized leader in transplantation care, and published in the *Journal of Clinical Medicine,* demonstrated 89% sensitivity in detecting active rejection, with an AUC of 0.87 and NPV of 95%, based on a cutoff of 1% dd-cfDNA. The assay performed particularly well in detecting both T-cell mediated rejection, or TCMR, and antibody mediated rejection, or ABMR. Subsequent publications have shown consistent strong performance of the Prospera Kidney test, including the results of a large, multi-center prospective PROspera Kidney Transplant ACTIVE Rejection Assessment Registry (ProActive) study published in *Transplantation*. In that study, our test detected rejection via elevated dd-cfDNA levels up to five months before biopsy-proven ABMR and up to two months before bioipsy-proven TCMR, while serum creatinine levels were not significantly elevated prior to biopsy-proven rejection, demonstrating the value of the Prospera Kidney test as a leading indicator for rejection that can provide opportunities for earlier interventions and management as a surveillance tool. The Prospera Kidney test was also the first to incorporate a two-threshold algorithm that provides a result based on both dd-cfDNA donor fraction and donor quantity score, or DQS, which is the calculated amount of dd-cfDNA. Prospera Kidney with DQS further enhances test performance over donor fraction alone. The Prospera Kidney test is covered by Medicare for all kidney transplant recipients, including those with multiple kidney transplants.

A significant number of heart transplant patients experience acute rejection in their first year – approximately 25% of recipients aged 18 to 34, and approximately 15% of recipients aged 65 or older, who received a transplant in 2022 experienced acute rejection in their first year. Our Prospera Heart test identifies both antibody mediated rejection, or AMR, and acute cellular rejection, or ACR. The performance of the Prospera Heart test has been consistently strong in multiple publications, including the most recent 2025 publication in the *American Journal of Transplantation*, where Prospera Heart with DQS performed with an AUC of 0.881, NPV of 98.5%, and sensitivity of 86.5% in detecting both AMR and ACR; furthermore, the addition of DQS as a two-threshold algorithm reduced false positive results by 37%. The Prospera Heart test has also demonstrated strong performance in detecting rejection in pediatric heart transplant recipients, with an AUC of 0.83 in pediatric patients in a study published in *Pediatric Transplantation*. The Prospera Heart test is covered by Medicare for heart transplant patients.

Lung transplantation has a five-year survival rate of approximately 60%, and chronic lung allograft dysfunction, or CLAD, is a leading cause of death beyond the first year, affecting close to 50% of recipients by five years post-transplant. Because there are no known effective therapies for CLAD, a critical part of post-transplant management is identifying, avoiding, and treating known risk factors for CLAD, in particular acute rejection. Our Prospera Lung test exhibited strong performance in our clinical validation study, published in *Transplant Direct*, distinguishing antibody mediated and acute cellular rejection from stable patients with an AUC of 0.91, as well as distinguishing organ injury – including acute rejection, chronic rejection and infection (which can be more challenging) – from stable patients with an AUC of 0.76. The test is covered by Medicare for use in the surveillance setting for lung transplant patients, including for single lung transplant recipients in the surveillance setting.

As with oncology, we are continuing to generate data in multiple clinical studies designed to demonstrate clinical utility and other benefits of our Prospera test.

Renasight

Chronic kidney disease, or CKD, is estimated to affect more than 37 million people in the United States, and approximately one in five patients with CKD has an underlying genetic cause of their disease. Renasight is our kidney gene panel test to determine if there may be a genetic cause for an individual's CKD, or increased hereditary risk for kidney disease due to family history. The test uses a blood or saliva sample to test 397 genes associated with CKD, ranging from common inherited kidney disorders to more rare conditions. Results from our Renasight test may provide valuable information to help manage CKD in a patient, such as identifying the cause of the disease and helping to predict its progression, informing more tailored interventions and treatments, or providing information to family members who may also be at risk for kidney disease.

We have published initial results from our Renasight Clinical Application, Review, and Evaluation (RenaCARE) study assessing the frequency and impact of genetic testing within the CKD population. Over 20% of patients in the study had a positive genetic finding, half of whom received a new or reclassified diagnosis and one-third of whom had a change in treatment plan.

Constellation

Our Constellation software forms the core of our cloud-based distribution model. Through this model, we have been able to expand access to our molecular and bioinformatics capabilities worldwide, enabling laboratories in the United States and internationally, under a license from us, to run the molecular workflows themselves and then access our computation-intensive bioinformatics algorithms through Constellation, which runs in the cloud, to analyze the results. We also leverage Constellation to perform our internal commercial laboratory activities and research and development of our products.

We have received CE Marks from the European Commission for our Constellation software and for the key reagents that our laboratory licensees use to run their NIPT test prior to accessing our Constellation software. These CE Marks enable us to offer Constellation in the European Union and other countries that accept a CE Mark. We are pursuing other regulatory approvals, as needed, to allow the international roll out of Constellation in regions that do not accept a CE Mark.

Commercial Capabilities

Within each of oncology, women's health, and organ health, we provide specialty testing supported by integrated commercial, medical, and operational capabilities intended to support a consistent experience for clinicians and patients and to facilitate integration of testing into routine clinical practice.

Our commercial organization includes direct sales representatives and medical affairs professionals who engage physicians, physician practices, integrated health systems, transplant centers, oncology clinics, nephrologists, IVF centers, and other healthcare providers. These teams are aligned by specialty to support focused clinical engagement within each of our three medical areas of focus. We also collaborate with pharmaceutical companies and other partners on research, clinical development, and commercialization initiatives related to our testing platforms and related analytical capabilities.

In addition to direct sales engagement, we market to healthcare providers through professional channels, including advertisements in peer-reviewed journals, educational webinars, medical conferences and tradeshows, and targeted digital outreach. While we do not sell directly to patients, we conduct educational initiatives intended to increase awareness of genetic testing and to support informed discussions between patients and their healthcare providers. Our marketing and medical affairs teams engage with key opinion leaders across oncology, women's health, and organ health to support clinical education and dissemination of scientific data.

Internationally, our products are offered in over 80 countries, primarily through laboratory and distribution partners that address local regulatory, reimbursement, and commercial requirements. Within the United States, we combine direct commercial engagement with laboratory and distribution partnerships to support access to our tests.

Our strategy is to offer portfolios within each medical specialty we serve, supported by integrated ordering, specimen collection, reporting, and patient and clinician support services. This approach is intended to support clinical workflows and enable providers to incorporate testing into care pathways, as appropriate.

Enhanced User Experience

We provide services and digital capabilities intended to simplify the testing process, reduce administrative burden, and support clinical decision-making across our oncology, women's health, and organ health portfolios.

NateraCore

NateraCore is our platform designed to support the patient and provider experience. Through this platform, we provide educational resources, information regarding insurance coverage and financial assistance programs, test ordering and specimen tracking capabilities, results reporting, and information regarding next steps, as applicable to a particular patient or test. These tools are intended to support coordination of testing-related activities within existing clinical workflows and provide a consistent experience across our oncology, women's health, and organ health portfolios.

Phlebotomy Services

We support our testing portfolio with a phlebotomy network designed to improve patient access. Our network includes mobile phlebotomy services, patient service centers with walk-in and scheduled appointment options, and access to additional independent draw sites through established partnerships. These services are intended to facilitate specimen collection in a manner that aligns with patient and provider preferences.

EMR Integration

We offer integration with certain Electronic Medical Record, or EMR, systems to enable providers to order tests, receive results, and manage related documentation within their clinical systems, subject to applicable technical and contractual requirements. These integrations are intended to reduce manual processes and support incorporation of testing into clinical workflows.

Patient Affordability and Access Programs

We maintain programs intended to support patient access across our portfolios. Our tests are supported by payer contracts in key specialties. For eligible patients who experience financial hardship or coverage challenges, we offer financial assistance programs designed to help reduce out-of-pocket costs.

Genetic Counselor Resources

We employ board-certified genetic counselors who provide educational sessions to patients before and after testing, as appropriate, and who support providers with interpretation of results and clinical questions.

Competition

The markets in which we operate are characterized by innovation and rapid change, and we primarily face competition from various companies that develop and commercialize molecular diagnostic tests in women's health, oncology, and organ transplant rejection.

Our competitors in the NIPT space include BGI; BillionToOne Inc.; Fulgent Genetics; Illumina, through its subsidiary Verinata; Laboratory Corporation of America Holdings, or Labcorp; Myriad Genetics, Inc.; Quest Diagnostics Incorporated, or Quest; and Revvity Inc. We also compete against companies providing carrier screening tests such as BillionToOne Inc.; Fulgent Genetics; Labcorp; Myriad Genetics, Inc.; and Quest. Each of these companies offers comprehensive carrier screening panels.

In the field of oncology, we compete with various companies that offer or seek to offer competing solutions, such as BillionToOne Inc.; Caris Life Sciences, Inc.; Exact Sciences Corp.; Guardant Health, Inc.; Personalis, Inc.; Quest; and Tempus Labs, Inc.

In organ health, our primary competitor is CareDx, Inc.

We expect additional competition as other established and emerging companies enter these markets, including through business combinations, and as new tests and technologies are introduced. These competitors could have greater technological, financial, reputational and market access resources than us. We believe the principal competitive factors in our molecular diagnostic testing markets include the following:

- test performance, as demonstrated in clinical and analytical studies and clinical trials as well as in commercial experience;
- comprehensiveness of coverage and ease of use, including user experience for both patients and providers;
- value of product offerings, including pricing and impact on other healthcare spending;
- scope and extent of reimbursement and payer coverage;
- effectiveness of sales and marketing efforts;
- breadth of distribution of products and partnership base;
- reputation among patients and providers for development and introduction of new, innovative products;
- operational execution, including test turn-around time and test failures;
- key opinion leader support; and

- brand awareness.

We believe that we compare favorably against our competitors based on various key differentiators, including in particular:

- our core technology, which can be applied across a range of conditions and disease types with a high degree of specificity and sensitivity, and our continued innovation resulting in new products and product enhancements;
- our continued investment in generating scientific data through clinical trials and publication in peer-reviewed studies;
- our strong commercial teams; and
- our user experience, including ease of use for patients through offerings such as mobile phlebotomy and for physicians through ordering efficiencies and EMR integrations, and patient and provider educational materials.

Intellectual Property

Our success and ability to compete depend in part on securing and preserving enforceable patent, trade secret, trademark and other intellectual property rights; operating without having competitors infringe, misappropriate or otherwise circumvent these rights; operating without infringing the proprietary rights of others; and obtaining and maintaining licenses for technology development and/or product commercialization. As of December 31, 2025, we held over 650 issued or pending U.S. and foreign patents. Our patents and patent applications relate generally to molecular diagnostics, and more specifically to biochemical and analytical techniques for obtaining and analyzing genetic information to detect genetic abnormalities in relatively small complex samples, such as cell-free fetal DNA or circulating tumor DNA. We intend to seek patent protection as we develop new technologies and products in this area.

We are or have recently been engaged in patent infringement lawsuits and other intellectual property disputes against various competitors in each of the industries in which we operate, some of which are infringement claims against us and some of which are claims we have asserted against third parties, as discussed in "Note 10—Commitments and Contingencies—Legal Proceedings" in the Notes to Consolidated Financial Statements. We may become subject to and/or initiate future intellectual property litigation as our product portfolio, and the level of competition in our industry segments, grow. The field of molecular diagnostics is complex and rapidly evolving, and we expect that we and others in our industry will continue to be subject to third-party infringement claims.

Reimbursement

We receive reimbursement for our tests from third-party payers, which includes commercial health insurers and federal health care programs (as defined under 42 U.S.C. 1320a-7b(f)). Laboratory tests, as with most other health care services, are classified for reimbursement purposes under a coding system known as Current Procedure Terminology, or CPT, which we and our customers must use to bill and receive reimbursement for our diagnostic tests. There are CPT codes associated with the particular tests that we provide to the patient, including for aneuploidies and microdeletions in NIPT, and for expanded carrier screening tests. Once the American Medical Association, or AMA, establishes a CPT code, the Centers for Medicare & Medicaid Services, or CMS, establishes payment levels and coverage rules under Medicare, while state Medicaid programs and commercial health plans establish rates and coverage rules independently in accordance with applicable rules. As such, the coverage and reimbursement rates for our diagnostic tests vary by third-party payer. CMS has established a pricing benchmark of $802 for aneuploidy and microdeletions testing, and approximately $2,450 for expanded carrier screening testing.

The Protecting Access to Medicare Act of 2014, or PAMA, introduced a multi-year pricing program and new payment methodology to calculate the rates for tests listed under the CLFS that are reimbursable by Medicare Part B. Under the payment methodology, the Medicare Part B CLFS payment rate is derived from a volume-weighted median of private payer rates for tests. This requires an "applicable laboratory" to report to CMS the private payment rates and the volume of tests associated with each payment rate for a specific data reporting period. Accordingly, we are required under PAMA to report to CMS the private payment rates and volume of our tests which are covered under Medicare Part B; however, the PAMA reporting requirements were suspended in 2021 and have continued to be delayed, most recently until 2027, which in turn has not resulted in rate reductions under the Medicare Part B CLFS. PAMA authorizes CMS to impose civil monetary penalties – up to $13,295 per day in 2024 – for each failure to report or each misrepresentation or omission in reporting of required information.

CMS has granted Medicare Part B coverage and Advanced Diagnostic Laboratory Test (ADLT) status, which has separate reporting and payment requirements under PAMA, for our Signatera test. New ADLTs are paid at a rate equal to their actual list charge, or publicly available rate, during an initial period of three calendar quarters. Thereafter, payment for a new ADLT is based on the private payor rates reported to CMS pursuant to PAMA using the same weighted median methodology described above.

We currently submit for reimbursement using CPT codes based on the guidance of coding experts and outside legal counsel. There is a risk that these codes may be rejected or withdrawn or that third-party payers will seek refunds of amounts that they claim were inappropriately billed to a specific CPT code or an incorrect diagnosis code. We do not currently have a specific CPT code assigned for all of our tests, and there is a risk that we may not be able to obtain specific codes for such tests, or if obtained, we may not be able to negotiate favorable rates for one or more of these codes. In particular, while we have obtained a CPT code for microdeletions and CMS has set a price for microdeletions testing, we have experienced low average reimbursement rates for microdeletions testing under this code, and we expect that this code will continue to cause our microdeletions reimbursement to remain low, at least in the near term, because third-party payers are declining to reimburse under the code or reimbursing at a low rate. The reimbursement rates for our broader Horizon screening panel have also declined as a result of the CPT code becoming effective in 2019, as carrier screening tests that had previously been reimbursed on a per-condition basis may be reimbursed as a combined single panel instead of as multiple individual tests.

We continue to believe that growing recognition from professional societies of the importance of microdeletions testing, combined with the performance of our microdeletions test and additional validation data from our SMART study on the sensitivity and specificity of our tests, will help drive broader reimbursement in the future.

Reimbursement by third-party payers may depend on a number of factors, including the payer's determination that tests using our technologies are: not experimental or investigational; medically necessary; demonstrated to lead to improved patient outcomes; appropriate for the specific patient; cost-saving or cost-effective; supported by peer-reviewed medical journals; and included in clinical guidelines. In making coverage determinations, third-party payers often rely on clinical guidelines issued by professional societies. NIPT has received positive coverage determinations for high-risk pregnancies and in such instances are reimbursed by most commercial health insurers, including United Healthcare, Aetna, Elevance Health (previously known as Anthem), Humana, Cigna and others. In recent years the reimbursement by third-party payers for use of NIPT for average-risk pregnancies has improved, as most professional societies now generally acknowledge that NIPT is the most sensitive screening option for, and/or are generally supportive of the use of NIPT in, average-risk pregnancies and high-risk pregnancies. Most commercial health insurers, as well as an increasing number of state Medicaid programs, have a positive coverage determination for NIPT for average-risk pregnancies.

As of December 31, 2025, we and our laboratory distribution partners had in-network contracts with health plans that accounted for close to 250 million covered lives in the United States. Our target markets for each of women's health, oncology and organ health represent a smaller subset of these covered lives, because our markets exclude certain populations who would not be users of our tests (for example, our target market for NIPT excludes men, children and post-menopausal women).

Government Regulations

Our business is subject to and impacted by extensive and frequently changing laws and regulations in the United States (at both the federal and state levels) and internationally. Some of these laws and regulations are particular to our laboratory business while others relate to conducting business generally (e.g., export controls laws, U.S. Foreign Corrupt Practices Act and similar laws of other jurisdictions). Also, we are subject to inspections, audits and other inquiries by certain federal and state governmental agencies. Set forth below are highlights of certain key regulatory frameworks applicable to our business.

FDA

In the United States, medical devices are subject to extensive regulation by the FDA under the Federal Food, Drug, and Cosmetic Act, or FDC Act, and its implementing regulations, and other federal and state statutes and regulations. The laws and regulations govern, among other things, medical device development, testing, labeling, storage, premarket clearance, de novo classification or premarket approval, post-market requirements, labeling, advertising and promotion and product sales and distribution. Unless subject to an exemption, to be commercially distributed in the United States, medical devices must receive from the FDA prior to marketing, clearance of a 510(k) premarket notification submission, grant of a request for de novo classification, or approval of an application for premarket approval, or PMA.

An in vitro diagnostic product, or IVD, is a type of medical device that is intended for use in the diagnosis of diseases or conditions, including a determination of the state of health, in order to cure, mitigate, treat, or prevent disease or its sequelae. IVDs comprise reagents, instruments, and systems intended for use in the collection, preparation and examination of specimens from the human body. IVDs can be used to detect the presence of certain chemicals, genetic information or other biomarkers related to health or disease. IVDs include tests for disease prediction, prognosis, diagnosis, and screening (e.g., carrier screening). A subset of IVDs are known as analyte specific reagents, or ASRs. An ASR is a single reagent (e.g., antibody, specific receptor protein, ligand, nucleic acid sequence) that, through specific binding or chemical reaction with substances in a specimen, is intended for use in a diagnostic application for the identification and quantification of an individual chemical substance in biological specimens. Most ASRs are exempt from the premarket review processes but must comply with general controls, as described below, including applicable provisions of the quality management system regulation, or QMSR.

The FDC Act classifies medical devices into one of three categories based on the risks associated with the device and the level of control necessary to provide reasonable assurance of safety and effectiveness. Class I devices are deemed to be low risk and are subject to the fewest regulatory controls. Many Class I devices are exempt from FDA premarket review requirements. Class II devices, including some software products to the extent that they qualify as a device, are deemed to be moderate risk, and generally require 510(k) clearance. Class III devices are generally the highest risk devices and are subject to the highest level of regulatory control to provide reasonable assurance of the device's safety and effectiveness. Class III devices typically require a PMA by the FDA before they are marketed. A clinical trial is almost always required to support a PMA application and is sometimes required for 510(k) clearance. All clinical studies of investigational devices must be conducted in compliance with any applicable FDA requirements, including in some cases approval of an investigational device exemption, or IDE, application, as well as with Institutional Review Board requirements. Devices that are exempt from FDA premarket review requirements must nonetheless comply with post-market general controls as described below, unless the FDA has chosen otherwise. Class III devices also include low or moderate risk for which a predicate device cannot be identified, as discussed below.

510(k) clearance pathway. To obtain 510(k) clearance, a manufacturer must submit a premarket notification demonstrating to the FDA's satisfaction that the proposed device is substantially equivalent to a legally marketed predicate device, which can be a previously 510(k)-cleared device, a previously granted request for de novo classification, or a device that was in commercial distribution before May 28, 1976 for which the FDA has not called for submission of a PMA application. The FDA's 510(k) clearance pathway usually takes from three to 12 months from submission, but it can take longer, particularly for a novel type of product.

PMA pathway. The PMA pathway requires valid scientific evidence demonstrating to the FDA's satisfaction the safety and effectiveness of the device for its intended use. The PMA pathway is costly, lengthy, and uncertain. A PMA application must provide extensive preclinical and clinical trial data as well as information about the device and its components regarding, among other things, device design, manufacturing, and labeling. As part of its PMA review process, the FDA will typically inspect the manufacturer's facilities for compliance with QMSR requirements, which impose extensive testing, control, documentation, and other quality assurance procedures. The PMA review process typically takes one to three years from submission but can take longer.

De novo pathway. If no predicate device can be identified, a device is automatically classified as Class III, requiring a PMA application. However, the FDA on its own initiative or at the request of a manufacturer can reclassify as low- or moderate-risk device for which there is no predicate through the de novo classification process. If the device is reclassified as Class II, the FDA will identify "special controls" that the manufacturer must implement, which may include labeling, performance standards or other requirements. Subsequent applicants can rely upon the de novo product as a predicate when submitting a 510(k) premarket notification, unless the FDA exempts subsequent devices from the need for a 510(k). The de novo route is intended to be less burdensome than the PMA process. The de novo route has historically been used for many IVD products.

Post-market general controls. After a device, including a device exempt from FDA premarket review, is placed on the market, numerous regulatory requirements apply. These include: the QSR, labeling regulations, registration and listing, the Medical Device Reporting regulation (which requires that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur), and the Reports of Corrections and Removals regulation (which requires manufacturers to report to the FDA corrective actions made to products in the field, or removal of products once in the field if such actions were initiated to reduce a risk to health posed by the device or to remedy a violation of the FDC Act that presents a risk to health). Some types of removals and corrections are considered by FDA to be product recalls and subject to additional requirements.

The FDA enforces compliance with its requirements through inspection and market surveillance. If the FDA finds a violation, it can institute a wide variety of actions, ranging from issuing a Form 483 Notice of Inspectional Observations or sending an untitled or public warning letter to enforcement actions such as fines, injunctions, and civil penalties; recall or seizure of products; operating restrictions, partial suspension or total shutdown of production; refusing requests for 510(k) clearance, de novo classification, or PMA approval of new products; withdrawing PMAs already granted; and criminal prosecution. For additional information, see "*Risk Factors—Reimbursement and Regulatory Risks Related to Our Business*."

Research use only. Research use only, or RUO, products are exempt from FDA medical device requirements provided their manufacturers comply with specified labeling and restrictions on distribution and promotion. The products must bear the statement: "For Research Use Only. Not for Use in Diagnostic Procedures." Manufacturers of RUO products cannot make any claims related to safety, effectiveness or diagnostic utility, and RUO products cannot be intended by the manufacturer for clinical diagnostic use. An RUO product promoted for diagnostic use may be viewed by the FDA as adulterated and misbranded under the FDC Act and the manufacturer of such product could be subject to FDA enforcement activities. Our LDTs use instruments and reagents labeled as RUO.

Laboratory-developed tests. The FDA considers LDTs to be tests that are designed, developed, validated and used within a single laboratory certified under the Clinical Laboratory Improvement Amendments, or CLIA. The FDA historically took the position that it had the authority to regulate such tests as medical devices under the FDC Act but generally exercised enforcement discretion with respect to most LDTs and did not require clearance, de novo classification, or approval of most LDTs prior to marketing.

In May 2024, the FDA published a final rule amending the definition of an in vitro diagnostic (IVD) device to include LDTs, and classifying LDTs as medical devices subject to FDA regulation. Under the final rule, all LDTs, unless subject to a specific exemption, would have been subject to premarket authorization requirements (510(k), de novo classification, or PMA), and laboratories performing LDTs would have needed to comply with postmarket registration and listing, medical device reporting, correction, removal and recall, complaint handling, labeling, investigational device, and quality system requirements.

In March 2025, a federal district court vacated the FDA final rule, thereby cancelling the rulemaking's associated requirements. The court held that LDTs do not meet the definition of a medical device under the FDC Act and the FDA therefore lacks jurisdiction to regulate them. The court directed FDA to rescind the final rule, which occurred in September 2025. The FDA has not indicated how it will interpret the court ruling or whether it will seek a different regulatory approach with respect to LDTs or components thereof.

Over the years, legislative proposals addressing the FDA's oversight of LDTs have been introduced in Congress. In June 2021, Congress introduced the Verifying Accurate, Leading-edge IVCT Development Act, or VALID Act, to establish a new risk-based regulatory framework for in vitro clinical tests, or IVCTs, including IVDs, LDTs, collection devices and instruments used with such tests. This legislation was re-introduced in 2023 but was not enacted. The VALID Act was again re-introduced in 2025, indicating that there remains debate about whether and how LDTs should be regulated in the U.S.

Clinical decision support software. Certain software is excluded from FDA regulation, including clinical decision support, or CDS, software that meets certain criteria. Based on an FDA guidance document, the CDS exemption may not apply to Constellation. It is unclear how the FDA will apply the guidance document to our currently marketed software and to software that we may develop in the future.

Clinical Laboratory Improvement Amendments of 1988 and State Regulation

As a clinical laboratory, we are required to hold certain federal and state licenses, certifications or permits to conduct our business. As to federal certifications, in 1988, Congress passed the Clinical Laboratory Improvement Amendments of 1988, or CLIA, establishing more rigorous quality standards for all commercial laboratories that perform testing on human specimens for the purpose of providing information for the diagnosis, prevention, or treatment of disease or the assessment of the health or impairment of human beings. CLIA requires such laboratories to be certified by the federal government and mandates compliance with various operational, personnel, facility, administration, quality and proficiency testing requirements intended to ensure the accuracy, reliability and timeliness of patient test results. CLIA certification is also a prerequisite to be eligible to bill state and federal health care programs, as well as many commercial third-party payers, for laboratory testing services.

Our laboratories located in Austin, Texas; San Carlos, California; and Boulder, Colorado are CLIA certified, and must comply with all applicable CLIA regulations and standards. If a clinical laboratory is found to be out of compliance with CLIA standards, CMS may impose sanctions; suspend, limit or revoke the laboratory's CLIA certificate (and prohibit the owner, operator or laboratory director from owning, operating, or directing a laboratory for two or more years following license revocation); subject the laboratory to a directed plan of correction, on-site monitoring, civil monetary penalties, civil actions for injunctive relief, criminal penalties; or suspension or exclusion from the Medicare and Medicaid programs.

CLIA provides that a state may adopt laboratory licensure requirements and regulations that are more stringent than those under federal law, and requires compliance with such laws and regulations. A number of states have implemented their own more stringent laboratory regulatory requirements. State laws may require the laboratory to obtain state licensure and/or laboratory personnel to meet certain qualifications and obtain professional licensure, specify certain quality control procedures or facility requirements, or prescribe record maintenance requirements. Moreover, several states impose the same or similar state requirements on out-of-state laboratory testing specimens collected or received from, or test results reported back to, residents within that state. Therefore, we are required to meet certain laboratory licensing requirements for those states in which we offer services or from which we accept specimens, and that have adopted laboratory regulations beyond CLIA. For more information on state licensing requirements, see "—California Laboratory Licensing", "—New York Laboratory Licensing," and "—Other State Laboratory Licensing Laws."

Our laboratories located in Austin, Texas; San Carlos, California; and Boulder, Colorado have each also been accredited by the College of American Pathologists, or CAP, which means that our laboratories have been certified as following CAP standards and guidelines in operating the laboratory facility and in performing tests that ensure the quality of our test results.

California Laboratory Licensing

In addition to federal certification requirements for laboratories under CLIA, we are required under California law to maintain a California state license for our San Carlos, California and Austin, Texas clinical laboratories, and to comply with California state laboratory laws and regulations, because our San Carlos facility is located in, and both facilities test specimens originating from, California. Similar to the federal CLIA regulations, the California state laboratory laws and regulations establish standards for the operation of a clinical laboratory and performance of test services, including the education and experience requirements of the laboratory director and personnel (including requirements for documentation of competency), equipment validations, and quality management practices. All testing personnel must maintain a California state license or be supervised by licensed personnel, and our laboratory director must maintain an additional license issued by the California Department of Public Health, or CDPH.

Clinical laboratories are subject to both routine and complaint-initiated on-site inspections by the state. If a clinical laboratory is found to be out of compliance with California laboratory standards, the CDPH, may suspend, restrict or revoke the California state laboratory license to operate the clinical laboratory (and exclude persons or entities from owning, operating, or directing a laboratory for two years following license revocation), assess civil money penalties, and/or impose specific corrective action plans, among other sanctions. Clinical laboratories must also provide notice to CDPH of any changes in the ownership, directorship, name or location of the laboratory. Failure to provide such notification may result in revocation of the state license and sanctions under the CLIA certificate. Any revocation of a CLIA certificate or exclusion from participation in Medicare or Medicaid programs may also result in suspension of the California state laboratory license.

New York Laboratory Licensing

Because we test specimens in our Austin, Texas and San Carlos, California laboratories originating from, and return test results to, New York State, both of our laboratories are required to obtain a New York State laboratory permit and comply with New York State laboratory laws and regulations. We maintain a valid permit in the State of New York for the respective molecular genetic testing services furnished by each of our Austin and San Carlos laboratories. The New York State laboratory laws, regulations and rules are equal to or more stringent than the CLIA regulations and establish standards for the operation of a clinical laboratory and performance of test services, including education and experience requirements of a laboratory director and personnel, physical requirements of a laboratory facility, equipment validations, and quality management practices. The laboratory director(s) must maintain a Certificate of Qualification issued by the New York State Department of Health, or DOH, in the permitted test categories.

Our clinical laboratories are subject to proficiency testing and on-site survey inspections conducted by the Clinical Laboratory Evaluation Program, or CLEP, under the DOH. If a laboratory is found to be out of compliance with New York's CLEP standards, the DOH, may suspend, limit, revoke or annul the New York laboratory permit, censure the holder of the license or assess civil money penalties. Statutory or regulatory noncompliance may result in a laboratory's operator, owners and/or laboratory director being found guilty of a misdemeanor under New York law. Clinical laboratories must also provide notice to the CLEP of any changes in ownership, directorship, name or location of the laboratory. Failure to provide such notification may result in revocation of the state license and sanctions under the CLIA certificate. Any revocation of a CLIA certificate or exclusion from participation in the Medicare or Medicaid programs may result in suspension of the New York laboratory permit.

The DOH also must approve each LDT before the test is offered to patients located in New York. Each of our Austin and San Carlos clinical laboratories has received approval from New York's CLEP to offer our tests that are performed in those locations.

Other State Laboratory Licensing Laws

In addition to New York and California, certain other states require licensing of out-of-state laboratories under certain circumstances. We have obtained licenses in the states that we believe require us to do so based on our current operations, and believe we are in compliance with applicable state laboratory licensing laws, including Maryland, Pennsylvania and Rhode Island. The State of Texas does not impose state licensure or registration requirements upon an independent laboratory facility or collection station outside of maintaining CLIA certification.

Potential sanctions for violation of state statutes and regulations can include significant monetary fines, the rejection of license applications, the suspension or loss of various licenses, certificates and authorizations, and in some cases criminal penalties, which could harm our business. CLIA does not preempt state laws that have established laboratory quality standards that are more stringent than federal law.

State Genetic Testing and Privacy Laws

Many states have implemented genetic testing and privacy laws imposing specific patient consent requirements and protecting test results. Under some state laws, we are prohibited from conducting genetic tests without appropriate documentation of patient (or parental/guardian) consent from the physician ordering the test. As discussed in more detail in "*Risk Factors—Reimbursement and Regulatory Risks Related to our Business—If the validity of an informed consent from a patient intake for Panorama or our other tests is challenged, we could be precluded from billing for such testing, forced to stop performing such tests, or required to repay amounts previously received, which would adversely affect our business and financial results*," while we rely on physicians to obtain the required patient consent to perform genetic testing, the regulatory burden may be deemed to be our responsibility and such consents, or our compliance with applicable laws and regulations, could be challenged. Requirements of these laws and penalties for violations vary widely from state to state.

HIPAA and Other Privacy Laws

The privacy and security regulations under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, establish uniform standards governing the conduct of certain electronic healthcare transactions and require certain entities, called covered entities, to comply with standards that include the privacy and security of protected health information, or PHI. HIPAA further requires business associates of covered entities—independent contractors or agents of covered entities that have access to PHI in connection with providing a service to or on behalf of a covered entity—to enter into business associate agreements with the covered entity and to safeguard the covered entity's PHI against improper use and disclosure. In addition, certain of HIPAA's privacy and security standards are directly applicable to business associates.

As a covered entity and as a business associate of other covered entities (with whom we have therefore entered into business associate agreements), we have certain obligations regarding the use and disclosure of any PHI that may be provided to us, and we could incur significant liability if we or our business associates fail to meet such obligations. Among other things, HITECH imposes civil and criminal penalties against covered entities and business associates for noncompliance with privacy and security requirements, which may include fines up to $250,000 per violation and/or imprisonment, and authorizes states' attorneys general to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions. While HIPAA does not create a private right of action allowing individuals to file suit in civil court for violations of HIPAA, its standards have been used as the basis for duty of care cases in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. In addition, HIPAA mandates that the Secretary of the Department of Health and Human Services, or HHS, conduct periodic compliance audits of health care providers, such as us, and their business associates for compliance with the HIPAA privacy and security standards. HIPAA also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the civil monetary penalty paid by the violator.

As noted above, we are required to comply with HIPAA standards promulgated by the U.S. Department of Health and Human Services, or HHS. First, we must comply with HIPAA's standards for electronic transactions, which establish standards for common healthcare transactions, such as claims information, plan eligibility, payment information and the use of electronic signatures. We must also comply with the standards for the privacy of individually identifiable health information, which limit the use and disclosure of most paper and oral communications, as well as those in electronic form, regarding an individual's past, present or future physical or mental health or condition, or relating to the provision of healthcare to the individual or payment for that healthcare, if the individual can or may be identified by such information. Additionally, we must comply with HIPAA's security standards, which require us to ensure the confidentiality, integrity and availability of all electronic PHI that we create, receive, maintain or transmit, to protect against reasonably anticipated threats or hazards to the security of such information, and to protect such information from unauthorized use or disclosure.

As a health care provider, we are subject to Section 4004 of the 21st Century Cures Act, or Cures Act, and regulations promulgated by HHS related to patient access to electronic PHI, or EHI, to promote interoperability and to ensure the access, exchange, or use of EHI.

Various U.S. states have implemented personal privacy laws that regulate different information than HIPAA. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act, or CCPA, applies to personal information of consumers, business representatives, and employees who are California residents. The CCPA requires covered businesses to make certain disclosures, afford consumer rights relating to the access to, deletion of, and sharing of personal information collected by certain businesses and their service providers, implement contractual safeguards for service providers, conduct data privacy impact assessments, or DPIAs, for certain processing activities, and offer opt-outs relating to online advertising, processing of certain sensitive personal data, and automated decision-making. The CCPA provides for fines and allows private litigants affected by certain data breaches to recover significant statutory damages. CalPrivacy, one of the primary regulators of the CCPA, has been active in investigating and fining companies for alleged CCPA non-compliance.

Numerous states have recently enacted comprehensive privacy laws that, while largely following a consistent administrative model, collectively increase our operational complexity and require ongoing adjustments to our data governance. Additional states are expected to implement privacy laws in 2026. To the extent that we collect data that does not fall within an exception to these privacy laws, we may be required to make specific disclosures in privacy notices, take additional compliance steps such as DPIAs, and afford residents with certain rights concerning their personal information, which may require us to change the way we conduct our business or provide our products and services. These state laws allow for statutory fines for non-compliance.

Also, certain laws and regulations have been enacted to govern obligations relating to health data that does not constitute PHI. For example, the California Confidentiality of Medical Information Act, which protects the confidentiality of individually identifiable medical information obtained by health care providers and their contractors, is much broader than HIPAA and the data protected is also broader than HIPAA; and the Washington My Health My Data Act governs certain consumer health data not covered by HIPAA, including information reasonably linked to a consumer's past, present, or future physical or mental health status. In addition, the Federal Trade Commission's Health Breach Notification Rule requires that entities report certain security breaches not subject to the HIPAA breach notification rule.

Additionally, we may be required under various data privacy and security laws and other obligations to obtain certain consents to process personal information. For example, some of our data processing practices may be challenged under wiretapping laws if we obtain consumer information from third parties through various methods, including chatbot and session replay providers, or via third-party marketing pixels. These practices may be subject to increased challenges by class action plaintiffs. Our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands.

In addition, security laws are in place that require companies to implement measures to secure personal data. For example, Massachusetts law requires that any company that obtains personal information of any resident of the Commonwealth of Massachusetts implement and maintain a written information security program that adequately protects such information from unauthorized use or disclosure. Most states require businesses that collect personally identifiable information to implement reasonable security measures to protect that information.

There are also comprehensive foreign privacy and security laws and regulations that impose robust requirements on the processing of personal information, including health information. In particular, the EU's General Data Protection Regulation, or GDPR, became effective in 2018. The GDPR applies not only to organizations within the EU, but also applies to organizations outside of the EU, such as Natera, that offer goods or services to EU data subjects or that process personal data of EU data subjects. The GDPR specifies higher potential liabilities for certain data protection violations, and we anticipate that it will result in a greater compliance burden for us as we conduct our business, particularly through our Constellation cloud-based distribution model, in the European Union. Fines for non-compliance can range from the greater of 2% of annual global revenues or €10 million, up to the greater of 4% of annual global revenues or €20 million. In addition, private litigation related to processing of personal information brought by classes of data subjects, or by consumer protection organizations representing their interests, have increased in recent years.

As a business that operates both internationally and throughout the United States, any actual or perceived failure to comply with privacy obligations, including unauthorized use or disclosure of personal information, even if it does not constitute PHI, by us or our third-party contractors, including disclosure due to data theft or unauthorized access to our or our third-party contractors' computer networks, could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions to our business operations; reputational harm; loss of revenue, customers or sales; and other adverse business consequences.

Healthcare Fraud and Abuse Laws

Federal and state governmental authorities scrutinize arrangements between healthcare providers and potential referral sources to ensure that the arrangements are not designed as a mechanism to induce patient care referrals for items or services billable to governmental health care programs and commercial health plans. Law enforcement authorities, courts and Congress have demonstrated a willingness to look behind the formalities of a transaction to determine the underlying purpose of payments between healthcare providers and actual or potential referral sources. The penalties for violations under these laws can be both civil and criminal in nature. The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 provides for an annual, automatic adjustment of civil monetary penalties authorized under the Social Security Act to account for inflation, which are published in the Federal Register annually.

The federal Anti-Kickback Statute makes it a felony for a provider or supplier, including a laboratory, to knowingly and willfully offer, pay, solicit or receive remuneration, directly or indirectly, in order to induce business that is reimbursable under any federal health care program. Generally, courts have taken a broad interpretation of the scope of the federal Anti-Kickback Statute, holding that the statute may be violated if merely one purpose of a payment arrangement is to induce future referrals. A violation of the federal Anti-Kickback Statute may result in imprisonment for up to ten years and/or criminal or civil fines – up to $104,330 (or $28,619 for each wrongful act) in 2025 – and exclusion from participation in federal health care programs. Claims submitted in violation of the federal Anti-Kickback Statute may not be paid by a federal health care program, and any person collecting any amounts with respect to any such prohibited claim is obligated to refund such amounts. Although the federal Anti-Kickback Statute applies only to federal health care programs, most U.S. states have passed laws substantially similar to the federal Anti-Kickback Statute pursuant to which similar types of prohibitions are made applicable to all commercial health plans or any health care services, depending on the state. Conduct which violates the federal Anti-Kickback Statute or similar laws also triggers liability under the Federal False Claims Act, which prohibits knowingly presenting or causing to be presented a false, fictitious or fraudulent claim for payment to the U.S. Government and can result in additional penalties and fines.

The HHS Office of Inspector General, or OIG, has issued Special Fraud Alerts on arrangements for the provision of clinical laboratory services and relationships between, among others, laboratories and referral sources. The Special Fraud Alerts set forth a number of practices allegedly engaged in by some clinical laboratories and healthcare providers that raise issues under the federal fraud and abuse laws, including the federal Anti-Kickback Statute. The OIG emphasized in the Special Fraud Alerts that when one purpose of such arrangements is to induce referrals of government program-reimbursed laboratory testing, both the clinical laboratory and the healthcare provider (e.g., physician) may be liable under the federal Anti-Kickback Statute, and may be subject to civil and/or criminal prosecution and exclusion from participation in any federal health care programs.

Recognizing that the federal Anti-Kickback Statute is broad and may technically prohibit many innocuous or beneficial arrangements within the healthcare industry, HHS has issued a series of regulatory "safe harbors" for certain payment arrangements which are not considered improper remuneration under the federal Anti-Kickback Statute if one can demonstrate compliance with each element of the safe harbor. Although full compliance with these safe harbors ensures protection against prosecution under the federal Anti-Kickback Statute, the failure of a transaction or arrangement to fit within a specific safe harbor does not necessarily mean that the payment is *per se* illegal or that prosecution under the federal Anti-Kickback Statute will be pursued.

While we believe that we are in compliance with the federal Anti-Kickback Statute and similar state fraud and abuse laws that are applicable to us, there can be no assurance that our relationships with physicians, hospitals and other customers or vendors will not be subject to scrutiny or will survive regulatory challenge under such laws. If imposed for any reason, enforcement and sanctions under the federal Anti-Kickback Statute or any similar state statute could have a negative effect on our business.

The federal Civil Monetary Penalty Law pertaining to health care fraud and abuse prohibits, among other things, the offer or payment of remuneration to a Medicare beneficiary that the offeror or payer knows or should know is likely to influence the beneficiary to order or receive a reimbursable item or service from a particular provider, practitioner, or supplier; contracting with an individual or entity that the person knows or should know is excluded from participation in a federal health care program; and knowingly making or causing to be made any false statement, omission, or misrepresentation of a material fact in any application, bid, or contract to participate or enroll as a provider of services or a supplier under a federal health care program. A violation of the federal Civil Monetary Penalty statute may result in maximum civil fines – up to $127,973 in 2025 – plus treble damages and exclusion from participation in any federal health care program.

Because we operate a laboratory facility located in California and licensed by California's DHS, California law is applicable to our business arrangements. California's state anti-kickback statutes, Business and Professions Code Section 650 (which applies to all categories of payors) and Insurance Code Section 754, and its Medi-Cal anti-kickback statute, Welfare and Institutions Code Section 14107.2, are analogous to, and have been interpreted by the California Attorney General and California courts in substantially the same way as the federal government and the courts have interpreted, the federal Anti-Kickback Statute. A violation of Section 650 is punishable by up to one year of imprisonment, a fine up to $50,000, or both imprisonment and a fine. A violation of Section 14107.2 is punishable by imprisonment and fines of up to $10,000. The California Insurance Code includes similar prohibitions against any consideration for the referral or procurement of patients if a claim is submitted to a commercial insurer, CA Ins. Code § 750, which is punishable by criminal penalties mirroring those that apply to violations of Business and Professions Code Section 650.

Because each of our laboratories holds a New York CLEP permit, we must comply with New York state laboratory statutes and regulations, which include anti-kickback provisions, Public Health Law Section 587, and Medicaid anti-kickback provisions, 18 NYCRR Section 515.2, related to laboratory services. The New York DOH may suspend, limit, revoke or annul the New York laboratory permit or otherwise discipline the permit holder for a violation.

Because we operate a laboratory facility located in Texas, our business arrangements are subject to certain Texas laws. Texas's primary anti-kickback statute, Texas Patient Solicitation Act (Tex. Occ. Code § 102.001) (which applies to all categories of payors), provides for an exception to any business arrangement that complies with the federal Anti-Kickback Statute or any regulation adopted under that law. Even if a business arrangement is compliant with the Texas Patient Solicitation Act, disclosure to the patient is required. A violation of Section 102.001 or 102.006 is punishable by civil penalties (up to $10,000 per violation). The Texas Medicaid anti-kickback laws, 1 TAC 371.1669, cross-references the Texas Patient Solicitation Act and include other prohibited self-referrals that are grounds for enforcement and sanctions. The Texas Insurance Code includes criminal penalties for similar prohibitions related to improper referral or procurement of patients if a claim is submitted to a commercial insurer.

In addition to the requirements that are discussed above, there are other healthcare fraud and abuse laws that could have an impact on our business.

The federal False Claims Act prohibits a person from knowingly submitting or causing to be submitted false claims or making a false record or statement in order to secure payment by the federal government. Conduct which violates another fraud and abuse law identified in this section may also result in liability under the federal False Claims Act as a result of the submission of claims pursuant to a prohibited payment arrangement. In addition to actions initiated by the government itself, the federal False Claims Act authorizes actions to be brought on behalf of the federal government by a private party having knowledge of the alleged fraud (sometimes referred to as a "whistleblower") under a qui tam complaint.

Because qui tam complaints are initially filed under seal in federal court, the action may be pending for some time before the defendant is even aware of the action. If the government is ultimately successful in obtaining redress in the matter or if the private party plaintiff succeeds in obtaining redress without the government's involvement, then the private party plaintiff will receive a percentage of any recovery and penalty imposed. Violation of the federal False Claims Act may result in fines of up to three times the actual damages sustained by the government, plus mandatory civil penalties – up to approximately $28,619 in 2025 – per false claim or statement, imprisonment or both, reimbursement of the whistleblower's attorneys' fees, and possible exclusion from any federal health care programs. The penalties will continue to be adjusted, increasing each year to reflect changes in the inflation rate, pursuant to the 2015 Bipartisan Budget Act.

The Eliminating Kickbacks in Recovery Act of 2018, or EKRA, was passed as part of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (referred to as the SUPPORT Act). Similar to the federal Anti-Kickback Statute, EKRA creates criminal penalties for knowing or willful payment or offer, or solicitation or receipt, of any remuneration, whether directly or indirectly, overtly or covertly, in cash or in kind, in exchange for the referral or inducement of laboratory testing unless a specific exception applies. Unlike the federal Anti-Kickback Statute, EKRA is not limited to federal health care programs and extends the prohibitions to services covered by commercial health plans. Additionally, not all of the safe harbors available under the federal Anti-Kickback Statute are reiterated under EKRA, and certain EKRA exceptions conflict with the federal Anti-Kickback Statute safe harbors. Although EKRA provides that it does not apply to conduct covered by the federal Anti-Kickback Statute, that provision is subject to interpretation by the courts. Therefore, compliance with a federal Anti-Kickback safe harbor may not guarantee protection under EKRA. As currently drafted, EKRA potentially expands the universe of arrangements that could be subject to government enforcement under federal fraud and abuse laws. Violation of EKRA carries potential penalties of up to $200,000 in fines and imprisonment of up to ten years for each occurrence, and potential exclusion from participation in any federal health care program. Currently, there is no proposed regulation interpreting or implementing EKRA, nor any public guidance released by any federal agency concerning EKRA. The only case law issued to date involves decisions interpreting the EKRA as it applies to compensation of laboratory sales personnel hired as independent contractors, and the courts differ on interpretation and application of the law; these decisions are currently on appeal. We cannot assure you that our relationships with physicians, hospitals, customers, or sales personnel will not be subject to scrutiny or will survive a challenge under EKRA. If imposed for any reason, sanctions under EKRA could have a negative effect on our business.

We are also subject to the Physician Self-Referral law, commonly known as the Stark Law, which prohibits, with certain exceptions, an ownership or financial arrangement with a physician (or a physician's immediate family member) in exchange for the referral of designated health services, including clinical laboratory services, or presenting or causing to be presented claims to Medicare and Medicaid for such services referred by the physician. The Stark Law is a strict liability statute, which means proof of specific intent to violate the law is not required. Any person who presents or causes to be presented a claim to the Medicare or Medicaid programs in violation of the Stark Law may be subject to civil monetary penalties – up to $31,670 in 2025 – per claim submission, an assessment of up to three times the amount claimed, and exclusion from participation in any federal health care program. A person who engages in a scheme to circumvent the Stark Law's referral prohibition may be fined – up to $211,146 in 2025 – for each such arrangement or scheme. Claims submitted in violation of the Stark Law may not be paid by Medicare or Medicaid, and any person collecting any amounts with respect to any such prohibited claim is obligated to refund such amounts. Actions which violate the Stark Law may be bootstrapped to involve liability under the federal False Claims Act.

Further, in addition to the privacy and security regulations stated above, HIPAA created two federal crimes: healthcare fraud and false statements relating to healthcare matters. The healthcare fraud statute prohibits knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private payers, or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by or under the control of any health care benefit program in connection with the delivery of or payment for health care benefits, items or services. The false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. A violation of either statute is a felony and may result in fines or imprisonment or, in the case of the healthcare fraud statute, exclusion from government sponsored programs.

Finally, federal law prohibits any entity from offering or transferring to a Medicare or Medicaid beneficiary any remuneration that the entity knows or should know is likely to influence the beneficiary's selection of a particular provider, practitioner or supplier of Medicare or Medicaid payable items or services, including waivers of copayments and deductible amounts (or any part thereof), if any apply, and transfers of items or services for free or for other than fair market value. Entities found in violation may be liable for civil monetary penalties – up to $100,000 (or $25,595 for each wrongful act) in 2025. Although we believe that our business activities and practices, including our sales and marketing practices, are in material compliance with all applicable federal and state laws and regulations, relevant regulatory authorities may disagree, and violation of these laws or our exclusion from such programs as Medicare, Medicaid and other federal health care programs as a result of a violation of such laws could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Many states, including California, also have state "physician self-referral" prohibitions and other laws that are not limited to Medicare and Medicaid referrals, with which we must comply. We are subject to California's Physician Ownership and Referral Act, or PORA, which generally prohibits us from billing a patient or any governmental or commercial third-party payer for any laboratory services when the physician ordering the service, or any member of such physician's immediate family, has a "financial interest" with us, unless the arrangement meets an exception (CA Business and Professions Code Section 650.02). The term "financial interest" is defined broadly and includes any type of ownership interest, debt, loan, lease, compensation, remuneration, discount, rebate, refund, etc. between the ordering physician and the entity receiving the referral. The exceptions to PORA track certain of the Stark Law exceptions, including an exception for personal service arrangements and for ownership of publicly traded entities. A violation of PORA is punishable by civil and criminal penalties, and may reach up to $15,000 per violation.

Other states may have self-referral restrictions with which we have to comply that differ from those imposed by federal and California law.

We are also subject to applicable state client billing laws, which specify whether a person that did not perform the service is permitted to submit the claim for payment and if so, whether the non-performing person is permitted to mark up the cost of the services in excess of the price the purchasing provider paid for such services. California has an anti-markup statute with which we must comply, which prohibits providers from charging for any laboratory test that it did not perform unless the provider (a) notifies the patient, client or customer of the name, address, and charges of the laboratory performing the test, and (b) charges no more than what the provider was charged by the clinical laboratory which performed the test except for any other service actually rendered to the patient by the provider (for example, specimen collection, processing and handling) (CA Business and Professions Code Section 655.5). This provision applies, with certain limited exceptions, to licensed persons such as physicians and clinical laboratories regulated under the Business and Professions Code. A violation of this provision can lead to imprisonment and/or a fine of up to $10,000. Other states have similar anti-markup prohibitions with which we must comply. In addition, many states also have "direct-bill" laws, which means that the services actually performed by an individual or entity must be billed by such individual or entity, thus preventing ordering physicians from purchasing services from a laboratory and rebilling for the services they order. For example, California has a direct bill rule specific to anatomic pathology services that prohibits any provider from billing for anatomic pathology services if those services were not actually rendered by that person or under his or her direct supervision with some exemptions (CA Business and Professions Code Section 655.7).

While we have attempted to comply with the federal, Texas, California and New York fraud and abuse laws and similar laws of other states and non-U.S. jurisdictions that are applicable to our business, it is possible that some of our arrangements could be subject to regulatory scrutiny at some point in the future, and we cannot provide assurance that we will be found to be in compliance with these laws following any such regulatory review.

Human Capital Management

As of December 31, 2025, our global workforce comprised 6,140 employees, of whom 6,135 were full time employees. We also engage consultants and temporary employees. We have not been subject to labor action or union activities, and our management considers its relationships with employees to be good.

Based on self-identification data, in 2025, women comprised approximately 64.2% of our global workforce, approximately 65.7% of global new hires, and approximately 63.8% of internal promotions. Also based on self-identification data, minorities comprised approximately 39% of our U.S. workforce.

We are committed to attracting, retaining, developing, and nurturing a diverse workforce, which we believe is necessary in order to deliver upon our mission of changing the management of disease worldwide. Our development, performance, and compensation programs are designed to attract and reward talented individuals from a broad range of backgrounds and experiences who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals, and ultimately create long term value for our stockholders. In addition to base pay, our compensation and benefits programs, which can vary by region, can include annual bonuses, stock-based compensation awards, a 401(k) plan with employee matching opportunities, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, parental leave, and employee assistance programs. We work to ensure pay equity by annually assessing our compensation practices and working with external compensation consultants to design and benchmark our programs.

We operate in an industry in which competition for highly qualified personnel is intense. In addition to our compensation programs, we are highly focused on talent acquisition, retention and development. We periodically conduct employee engagement surveys, the results of which inform internal company and management goals to help ensure impactful and meaningful actions in response to feedback received. Our employee evaluation process helps us to support developing employees as well as identify and cultivate high performers, and we have various initiatives underway to further develop leaders and managers. More than 92% of employees participated in our most recent employee engagement survey, conducted in 2024, the results of which indicated an overall 84% engagement score, and that 91% of employees are proud to work at Natera, and 80% would recommend Natera as a great place to work. In 2025, we focused on addressing opportunities identified in the 2024 survey, including the launch of leadership roundtables and expanded personal development training We believe that our engagement survey results reflect our commitment to fostering a thriving workplace culture, even amidst significant organizational growth.

We have a growing number of employee resource groups, or ERGs, which offer opportunities for our employees to build connection and create a supportive and inclusive culture of belonging and awareness, which we believe positively impacts our workplace. Our ERGs provide a platform of networking, ongoing learning and exchange to support professional development and promote overall workplace culture, engagement and satisfaction, and encompass a variety of focuses such as sustainability; cancer survivorship; volunteerism; belonging; fostering development and growth of early career professionals; and supporting veterans.

Sustainability

We recognize that in our work to improve the state of disease globally, it is important to develop and maintain a strong ethos of sustainability, responsibility, and stewardship with respect to environmental matters. We have policies and programs in place to comply with the requirements set forth in applicable local, state, and federal environmental policies, laws and regulations. However, we cannot predict how changes in these laws and regulations, or the development of new laws and regulations, will affect our business operations or the cost of compliance. Climate change may impact our business by increasing operating costs due to additional regulatory requirements, physical risks to our facilities, energy limitations, and disruptions to our supply chain. We consider such potential risks in our business continuity planning, including reviewing investment opportunities in renewable energy, and reducing energy and water consumption, greenhouse gas emissions, and waste production.

As part of our sustainability program, we have an executive steering committee responsible for overseeing sustainability projects to reduce the environmental impact of our laboratory operations, our corporate offices, and our supply chain. Our environmental sustainability program addresses, among others, emissions reduction; water and energy conservation; sustainability in supply chain management; waste reduction; employee engagement; and sustainable building design and operations. In 2025, Natera established near-term science-based greenhouse gas emissions reduction targets that have been validated by the Science Based Targets Initiative (SBTi). Progress on all sustainability goals are presented to the board at least annually, in addition to updates regarding climate impacts and broader strategy discussions. Additional information, including goal progress, can be found in our annual Sustainability Report located on our website at www.natera.com/sustainability. We do not incorporate the information on, or accessible through, our website into this Annual Report on Form 10-K or any other report we file with or furnish to the SEC, and you should not consider any information on, or accessible through, our website as part of this Annual Report on Form 10-K or any other report we file with or furnish to the SEC.

The Company does not conduct animal testing.

Glossary of Terms

ACOG – the American Congress of Obstetricians and Gynecologists.

ACMG – the American College of Medical Genetics and Genomics.

Allograft – the transplant of an organ or tissue from one individual to another individual of the same species who is not genetically identical.

AMA – American Medical Association.

AUC – area under the receiver operating curve; a measure of the diagnostic performance of a test, based on sensitivity and specificity.

cfDNA – cell-free DNA.

CLIA – Clinical Laboratory Improvement Amendments.

CMS – Centers for Medicare and Medicaid Services.

CNV – copy number variation; a genetic mutation in which relatively large regions of the genome have been deleted or duplicated.

CPT – Current Procedure Terminology; codes used by doctors and health care professionals for identifying medical services and procedures.

ctDNA – circulating tumor DNA; tumor DNA circulating in a blood sample.

CS test – carrier screening test.

dd-cfDNA – donor-derived cell-free DNA; DNA that is shed into the blood of a transplant recipient from a transplanted organ undergoing rejection.

DNA – deoxyribonucleic acid.

FDA – Food and Drug Administration.

Fetal aneuploidy – an inherited genetic condition in which a fetus has a different number of chromosomes than are typical.

IVD – in vitro diagnostic; tests that can be used in any laboratory that has the appropriate qualifications and authorizations.

IVF – in vitro fertilization.

LDT – laboratory developed test; tests that are designed, developed, validated and used within a single laboratory.

MFM – maternal fetal medicine; an MFM physician specialist is an obstetrician who has completed a medical education specialty in high-risk pregnancy.

Microdeletion – a deletion of a region of DNA from one copy of one chromosome.

mmPCR – massively multiplexed polymerase chain reaction.

NGS – next-generation sequencing; a DNA sequencing technology.

NIPT – non-invasive prenatal test.

No-call – the inability to update the prior risk, or the standard risk assigned based on maternal and gestational age, in order to provide a high-risk or low-risk test result due to insufficient information in the sample.

OB/GYN – obstetrician-gynecologist; a doctor who specializes in women's health.

PPV – positive predictive value; the likelihood that a positive result on a test indicates a true positive result in the patient.

Sensitivity – the likelihood that an individual with a condition will be correctly found to have that condition. Sensitivity is calculated as the ratio between the number of individuals that test positive for the condition over the total number of individuals in the tested cohort who actually have the condition.

SNP – single nucleotide polymorphism; a position on the chromosome at which single DNA base changes are common in the population.

SNV – single nucleotide variant; a genetic mutation in which a single chemical base in DNA has changed.

Specificity – the likelihood that an individual without a condition will be correctly found not to have that condition. Specificity is calculated as the ratio between the number of individuals that test negative for a condition over the total number of individuals in the tested cohort who do not have the condition.

Triploidy – a type of fetal aneuploidy in which an individual has three copies of every chromosome instead of two.

Corporate Information

Our principal executive office is located at 13011 McCallen Pass, Building A Suite 100, Austin, Texas. Our website address is www.natera.com. We do not incorporate the information on, or accessible through, our website into this Annual Report on Form 10-K or any other report we file with or furnish to the SEC, and you should not consider any information on, or accessible through, our website as part of this Annual Report on Form 10-K or any other report we file with or furnish to the SEC.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, may be obtained free of charge at the Investor Relations section of our website, http://investor.natera.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or SEC. Additionally, the SEC maintains an internet site that contains reports, proxy and information statements and other information. The address of the SEC's website is www.sec.gov.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this report, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before investing in our common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the price of our common stock could decline and you could lose part or all of your investment.

Risks Related to Our Business and Industry

If we are unable to successfully grow revenues for our products or services, and if our efforts to further increase the use and adoption of our products or to develop new products and services in the future do not succeed, our business will be harmed.

Our ability to successfully grow revenues for our products and services is uncertain and subject to many risks, as further described in these Risk Factors. In particular, the significant majority of our revenues are derived from sales of our Panorama NIPT, our Horizon carrier screening, or HCS, test, and our Signatera test, and we expect this to continue to be the case for the foreseeable future. As such, any adverse impact we experience with respect to these tests could result in an impact to our overall revenues, or a component of such overall revenues. For example, a decline in our reimbursement rates for, and therefore our average selling price of, Horizon, could result in a decline in our overall blended average selling price.

Continued and additional market demand for our tests, and reimbursement for our tests, particularly for NIPT for the average-risk population and for microdeletions, are key elements to our future success. The market demand for NIPTs, carrier screening tests and our other tests continue to evolve. We cannot guarantee that physicians will recommend and order our tests, and our laboratory distribution partners and licensees may not actively or effectively market our tests. Our ability to increase sales and establish significant levels of adoption and reimbursement for our tests is uncertain, and it may be challenging for us to achieve profitability for many reasons, including, among others:

- the market for our tests may not grow as we expect; in particular, NIPTs may not gain acceptance for use as a screen for microdeletions, which would limit the market for Panorama, and we may fail to compete successfully in this market, whatever its size;

- if we are unable to demonstrate that our tests are superior to competing tests, laboratories, clinics, clinicians, physicians, payers and patients may not adopt the use of our tests on a broad basis, and may not be willing to pay the price premium over competing tests that we have, to date, been able to achieve;

- third-party payers, such as commercial insurance companies and government insurance programs, may decide not to reimburse for our tests, such as for the screening of microdeletions, may set the amounts of any reimbursements at prices that do not allow us to cover our expenses, or may otherwise adopt regulations, programs, policies or procedures that restrict or harm our business; for example, with respect to Panorama, many third-party payers currently have negative coverage determinations or otherwise do not reimburse for microdeletions screening and we expect low reimbursement rates for microdeletions screening to continue, at least in the near term; also, most state Medicaid programs currently either reimburse at low rates or do not reimburse for our tests;

- billing operations, including managing various requirements by third-party payers to obtain reimbursement for our tests, are complex and time-consuming, and if we are unable to successfully manage such requirements, we may experience reduced and/or delayed reimbursement for our tests, which may impact our results of operations, as has happened in the past with respect to evolving prior authorization requirements;

- the results of our SMART Study evaluating the performance of Panorama may fail to convince laboratories, clinics, clinicians, physicians or patients of the benefits of utilizing Panorama for microdeletions and may not increase reimbursement for Panorama;

- the results of our clinical trials and any additional clinical and economic utility data that we may develop, present and publish in the future, or that comes from the commercial use of our tests, may be inconsistent with our existing data and may raise questions about the performance of our tests, or may fail to convince laboratories, clinics, clinicians, physicians, payers or patients of the value of our tests;

- we may experience supply constraints, including those due to the failure of our key suppliers to provide required sequencers and reagents in sufficient amounts or of adequate quality or disputes with our key suppliers, including those with respect to the required sequencers and reagents from our supplier, Illumina, Inc., or Illumina, who is also one of our main NIPT competitors through its subsidiary, Verinata Health Inc., or Verinata, and with whom we have historically been involved in patent proceedings;

- we may experience increased cost of product revenues, and cost of licensing and other revenues, as a percentage of total revenues, as has been the case in previous fiscal periods;

- the U.S. Food and Drug Administration, or the FDA, or other U.S. or foreign regulatory or legislative bodies may adopt new regulations or policies, or take other actions that impose significant restrictions on our ability to market and sell our tests, including requiring FDA clearance or approval for the sale of our tests, as further discussed in the risk factor entitled "*Regulatory and Compliance Risks—If the FDA were to begin actively regulating our tests, we could incur substantial costs and delays associated with trying to obtain premarket 510(k) clearance, de novo classification, or premarket approval and incur costs associated with complying with post market controls*" or of the sequencers, reagents, kits and other consumable products that we purchase from third parties in order to perform our testing;

- changes in the funding of the FDA or other government agencies or comparable foreign regulatory authorities could hinder, prevent or delay their regulatory review and approval processes or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely;

- our laboratory partners may choose to develop their own tests that are competitive with ours or offer tests provided by our competitors due to pricing or other reasons as has happened in the past, or otherwise fail to effectively market our tests; and competitors may develop and commercialize more effective and/or less expensive tests that deliver comparable results to our tests;

- we may fail to adequately protect or enforce our intellectual property relating to our tests, leading to increased competition; or other parties may claim that the practice of our technology by us or our licensees and collaborators infringes such other party's intellectual property rights, as certain of our competitors have claimed in lawsuits filed against us, as discussed further in "Note 10—Commitments and Contingencies—Legal Proceedings" in the Notes to Consolidated Financial Statements; if we are required to pay litigation judgments or settlements or pay license fees in order to license third-party intellectual property rights due to actual or alleged infringement based on our running our tests, our results of operations or financial condition could be adversely impacted;

- we may be unable to dedicate adequate resources to the maintenance and further technological advancement of our current tests that are necessary for such tests to be competitive in the marketplace because of the demands placed on our research and development and product teams with respect to our continuously expanding portfolio of products and programs, in particular our efforts and focus on developing our oncology and organ health product offerings; and

- in the event that it is in our commercial or financial interest or we are forced to transition sequencing platforms for Panorama, we may be unable to do so in a commercially sustainable way and that could survive claims of infringement of intellectual property rights of Illumina and other competitors, in a timely manner or at all.

If we are not able to increase adoption of and grow revenues for our products or services, our business, operating results and financial condition will be harmed.

We have incurred net losses since our inception and we anticipate that we will continue to incur losses for the near future, which could harm our future business prospects.

We have incurred net losses each year since our inception in 2003. To date, we have financed our operations primarily through convertible debt and other debt instruments, our initial public offering, and our registered public equity offerings. Our net loss for the years ended December 31, 2025, 2024, and 2023 was $208.2 million, $190.4 million, and $434.8 million, respectively. As of December 31, 2025, we had an accumulated deficit of $2.8 billion. We may continue to experience such losses in the future as we continue to devote a substantial portion of our resources to efforts to increase the adoption of, and reimbursement for, our products, improve these products, and research and develop and commercialize new products and acquire new technologies and businesses.

In addition, the rate of growth in our revenues has fluctuated in the past, and may continue to do so in future periods. In particular, such rate of growth may be negative, flat, or may grow more slowly than we expect, including if the rate of growth of our test volumes slows. Furthermore, although there is a CPT code in place for microdeletions testing, we have experienced low average reimbursement rates for microdeletions testing under this CPT code, and our microdeletions reimbursement may continue to remain low, at least in the near term, either due to reduced reimbursement, or third-party payers declining to reimburse, under the microdeletions code, which has had and will likely continue to have an adverse effect on our revenues.

Our ability to forecast our future operating results, including revenues, cash flows and profitability, is limited and subject to a number of uncertainties. We have also encountered and will continue to encounter risks and uncertainties frequently experienced by rapidly growing companies in the life sciences and technology industry, such as those described in this report. If our assumptions regarding these risks and uncertainties are incorrect or these risks and uncertainties change, or if we do not address these risks successfully, our operating and financial results may differ materially from our expectations, and our business may suffer.

Uncertainty in the development and commercialization of our enhanced or new tests or services could materially adversely affect our business, financial condition and results of operations.

Our success will depend in part on our ability to effectively introduce and increase market adoption of enhanced or new offerings. In recent years we have developed and launched several new products or enhanced versions of existing products, including our first offerings and subsequent updated and new offerings in oncology and in organ health, and we expect to continue our efforts in all of these areas. The development and launch of enhanced or new tests requires the completion of certain clinical development and commercialization activities that are complex, costly, time-intensive and uncertain, and requires us to accurately anticipate the preferences and needs of patients, clinicians, payers, and other counterparties, as well as emerging technology, industry trends, and the competitive environment. This process is conducted in various stages, and each stage presents the risk that we will not achieve our goals.

We may not be successful in our current or future efforts to develop and commercialize tests in industries that are newer to us. Moreover, our actual results may fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the price of our common stock to decline. We may experience research and development, regulatory, marketing and other difficulties that could delay or prevent our introduction of enhanced or new tests and result in increased costs and the diversion of management's attention and resources from other business matters, such as from our existing product offerings. For example, any tests that we may enhance or develop may not prove to be clinically effective in clinical trials or commercially, or may not ultimately meet our desired target product profile, be offered at acceptable cost and with the sensitivity, specificity and other test performance metrics necessary to address the relevant clinical need or commercial opportunity; our test performance in commercial experience may be inconsistent with our validation or other clinical data; we may not be successful in achieving market awareness and demand, whether through our own sales and marketing operations or through collaborative arrangements; healthcare providers may not order or use, or third-party payers may not reimburse for, any tests that we may enhance or develop; or we may otherwise have to abandon a test or service in which we have invested substantial resources. In particular, we are subject to the risk that the biological characteristics of the genetic mutations we seek to target, and upon which our technologies rely, are uncertain and difficult to predict. For example, in our efforts to detect and analyze circulating tumor DNA in plasma for MRD assessment and recurrence surveillance, our success depends on tumors shedding mutant DNA into the bloodstream in sufficient quantities such that our technology can detect such mutations, as well as patients having sufficient tumor tissue to design our custom ctDNA test for each patient. As further discussed in the risk factor entitled "*If our products do not perform as expected, our operating results, reputation and business will suffer*," we may also experience unforeseen difficulties when implementing updates to our processes, as we have occasionally experienced with Panorama, Horizon, and our other tests.

We cannot assure you that we can successfully complete the clinical development of any new or enhanced product, or that we can establish or maintain the collaborative relationships that may be essential to our clinical development and commercialization efforts. Clinical development requires large numbers of patient specimens and, for certain products, requires large, prospective, and controlled clinical trials. We may not be able to enroll patients or collect a sufficient number of appropriate specimens in a timely manner; or we may experience delays during clinical development due to slower than anticipated enrollment, which we experienced in the past with our SNP-based Microdeletions and Aneuploidy RegisTry, or SMART, Study, or due to changes in study design or other unforeseen circumstances, such as our decisions in the past to expand our SMART Study; or we may be unable to afford or manage the large-sized clinical trials that some of our planned future products may require.

The publication of clinical data in peer-reviewed journals is a crucial step in commercializing and obtaining reimbursement for tests such as ours, and our inability to control when, if ever, results are published may delay or limit our ability to derive sufficient revenues from any test that is the subject of a study. Peer-reviewed publications regarding our tests may be limited by many factors, including delays in the completion of, poor design of, or lack of compelling data from, clinical studies, as well as delays in the review, acceptance and publication process. If our tests or the technology underlying our current or future tests do not receive sufficient favorable exposure in peer-reviewed publications, the rate of clinician adoption of our tests and positive reimbursement coverage determinations for our tests could be negatively affected. Further, the data collected from any studies we complete in the future may not be favorable or consistent with our existing data or may not be statistically significant or compelling to the medical community or to third-party payers seeking such data for purposes of determining coverage for our tests. For example, while we have published results from our SMART Study, we cannot assure you that such results or publications will convince laboratories, clinics, clinicians, physicians or patients of the benefits of utilizing Panorama for microdeletions. We also cannot be certain whether, or to what extent, the SMART Study may impact insurance coverage and reimbursement for microdeletions testing. Similarly, certain results of the CIRCULATE-Japan study have been published, and we cannot assure you that such results will impact professional society or practice guidelines, or coverage and reimbursement determinations from third-party payers, as we anticipate.

In addition, as further described in the risk factor entitled "*If the FDA were to begin actively regulating our tests, we could incur substantial costs and delays associated with trying to obtain premarket clearance or approval and incur costs associated with complying with post-market controls,*" development of the data necessary to obtain regulatory clearance and approval of a test is time-consuming, requires us to incur significant costs, and carries with it the risk of not yielding the desired results. The performance achieved in published studies may not be repeated in later studies that may be required to obtain FDA premarket clearance or approval or regulatory approvals in foreign jurisdictions. Limited results from earlier-stage verification studies may not predict results from studies in larger numbers of subjects drawn from more diverse populations over longer periods of time. Unfavorable results from ongoing preclinical and clinical studies may delay, limit or prevent regulatory approvals or clearances or commercialization of our product candidates, or could result in delays, modifications or abandonment of ongoing analytical or future clinical studies, or abandonment of a product development program, any of which could have a material adverse effect on our business, operating results or financial condition.

These and other factors beyond our control could result in delays or other difficulties in the research and development, approval, production, launch, ongoing commercialization or distribution of enhanced or new tests and could adversely affect our competitive position and results of operations.

Our quarterly results may fluctuate from period to period, which could adversely impact the value of our common stock.

Our quarterly results of operations, including our revenues, gross margin, net loss and cash flows, have varied and may continue to vary from period to period as a result of a variety of factors, many of which are outside of our control, including those listed elsewhere in this "Risk Factors" section, and as a result, period-to-period comparisons of our operating results may not be meaningful. Our quarterly results should not be relied upon as an indication of future performance. In addition, to the extent that we continue to spend considerably on our internal sales and marketing and research and development efforts, we expect to continue to incur costs in advance of achieving the anticipated benefits of such efforts. Fluctuations in quarterly results and key metrics may cause our results to fall below our financial guidance or other projections or goals, or the expectations of analysts or investors, which could adversely affect the price of our common stock. We also face competitive pricing and reimbursement pressures, and we may not be able to maintain our premium pricing in the future, which would adversely affect our operating results.

Competition in our industry is intense; if we are unable to compete successfully with respect to our current or future products or services, we may be unable to increase or sustain our revenues or achieve profitability.

We compete primarily in the molecular testing field, which is characterized by rapid technological changes, frequent new product introductions, reimbursement challenges, emerging competition, intellectual property disputes and litigation, price competition, aggressive marketing practices, evolving industry standards and changing customer preferences. Our principal competition in women's health comes from existing testing methods, technologies and products that are used by OB/GYNs, MFM specialists or IVF centers. These include other NIPTs and carrier screening tests offered by our competitors, as well as established, traditional first-line prenatal screening methods, such as serum protein measurement, where doctors measure certain hormones in the blood, and invasive prenatal diagnostic tests like amniocentesis, which have been used for many years and are therefore difficult to displace or supplement. We also face competition in the fields of oncology and organ health from other companies, which may be larger, more established, or have more experience or more resources than we do. In addition, new testing methods may be developed which may displace or be preferred over our current methods, such as whole genome sequencing or single cell analysis with respect to NIPTs, or tracking more tumor-specific variants and/or other biomarkers in addition to ctDNA with respect to MRD testing. We cannot assure you that research, discoveries or other advancements by other companies will not render our existing or potential products and services uneconomical or result in products and services that are superior or otherwise preferable to our current or future products and services. It is possible that competition in all of the markets in which we operate will continue to increase.

Some of our competitors' products and services are sold at a lower price than ours, which could cause sales of our tests and services to decline or force us to reduce our prices. Our current and future competitors could have greater technological, financial, reputational and market access advantages than us, and we may not be able to compete effectively against them. Increased competition is likely to result in pricing pressures, which could harm our revenues, operating income or market share. We have increasingly been subject to litigation with our competitors; for example, as disclosed elsewhere in these risk factors, we are or have recently been in active litigation with competitors in each of the women's health, oncology and organ health fields, which involve considerable costs to us as well as management time and attention. If we are unable to compete successfully, we may be unable to increase or sustain our revenues or achieve profitability. See the section entitled "*Business–Overview–Competition*" for additional information on our competitors.

We rely on internal and third-party data centers and platforms to host our laboratory and cloud-based software, and any interruptions of service or failures may impair our operations and harm our business.

We currently maintain a data center at our laboratory facilities in San Carlos, California. In addition, our proprietary bioinformatics algorithms are a crucial component of our test processing, and combine information derived from our assay workflows with publicly available data from the broader scientific community to analyze and return test results. We host the majority of these algorithms on a cloud-based software platform pursuant to an agreement with DNAnexus, Inc., or DNAnexus, and both we and our Constellation licensees access our algorithms through the DNAnexus platform. The DNAnexus platform is hosted on third-party data center hosting facilities operated by Amazon Web Services, or AWS, located primarily in the United States and in the European Union. We also host our algorithms on AWS platforms directly using AWS HealthOmics. Our algorithms are currently used to run many of our tests and certain of our research and development activities, as well as for our Constellation licensees. In the event of any technical problems that may arise in connection with our on-site data center, the DNAnexus platform or the AWS servers on which the DNAnexus platform is hosted, or the AWS servers that host our data directly, or difficulties in or termination of our relationship with DNAnexus, we could experience interruptions in our laboratory operations or our cloud-based services, and we and our Constellation licensees may be unable to access our proprietary algorithms and therefore be unable to process tests or conduct any other activities that require access to such algorithms. These types of problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. AWS HealthOmics is our backup for DNANexus, with both services relying on AWS. We do not have any backup cloud platform, server or other means to host our algorithms, and may be unable to find and implement an alternative platform that is satisfactory for our needs on commercially reasonable terms, in a timely manner, or at all. Interruptions in our operations or service may reduce our revenue, cause us to issue refunds, result in the loss of customers, cause laboratory licensees to terminate their contracts with us, adversely affect our ability to attract new laboratory licensees, or harm our reputation. We could also be exposed to potential lawsuits and liability claims.

If our products do not perform as expected, our operating results, reputation and business will suffer.

Our success depends on the market's confidence that we can provide reliable, high-quality testing results. There is no guarantee that the accuracy and reproducibility we have demonstrated to date will continue as our test volumes continue to increase and our product portfolio continues to expand. We believe that our customers are particularly sensitive to test limitations and errors, including inaccurate test results and the need on occasion to perform second blood draws, or redraws, on patients, for which Panorama has in the past experienced a higher rate than advertised for other NIPTs. As a result, if our tests do not perform as expected or favorably in comparison to competitive tests, our operating results, reputation, and business will suffer. We may also become subject to legal claims arising from such limitations, errors, or inaccuracies.

Our tests use a number of complex and sophisticated biochemical and bioinformatics processes, many of which are highly sensitive to external factors. An operational, technological or other failure in one of these complex processes, or fluctuations in external variables, may result in sensitivity or specificity rates that are lower than we anticipate or that vary between test runs, a higher than anticipated number of tests that require redraws or fail to produce results, or longer than expected turnaround times, which we have experienced and will likely continue to experience on occasion as a result of issues with laboratory equipment, components or materials or otherwise. In addition, we regularly evaluate and refine our testing processes, and any refinements we make may not improve our tests as we expect and may result in unanticipated issues that may adversely affect our test performance as described above, which we have experienced in the past. Such operational, technical and other difficulties may impact the commercial attractiveness of our products, may increase our costs or divert our resources, including management's time and attention, from other projects and priorities, or may subject us to legal claims. Furthermore, any changes to our testing process may require us to use new or different suppliers or materials with whom or which we are unfamiliar, and which may not perform as we anticipate, and could cause delays, downtime or other operational issues.

We rely on third-party laboratories to perform portions of our service offerings.

Certain of our tests, or components of our tests, are performed by third-party laboratories. These third-party laboratories are subject to contractual obligations to perform these services for us but are not otherwise under our control. We therefore do not control the capacity and quality control efforts of these third-party laboratories other than through our ability to enforce contractual obligations on volume and quality systems, and we have no control over such laboratories' compliance with applicable legal and regulatory requirements. We also have no control over the timeliness of such laboratories' performance of their obligations to us. Third-party laboratories that we have contracted with have in the past had, and occasionally continue to have, issues with delivering results to us or resolving issues with us, including within the time frames we expected or established in our contracts with them, which sometimes results in longer than expected turnaround times for, or negatively impacts the performance of, these tests and services. We have had to review and, in some cases, revise our processes, procedures and agreements with our business partners to address unforeseen operational issues and other contingencies, and will likely continue to do so as our business grows. Any natural or other disaster, acts of war or terrorism, shipping embargoes, labor unrest or political instability or similar events at one or more of our third-party laboratories' facilities that causes a loss of capacity would heighten the risks that we face. We may not have sufficient alternative backup if one or more of the third-party laboratories that we contract with are unable to satisfy their obligations to us with sufficient performance, quality and timeliness. Changes to or termination of our agreements or inability to renew our agreements with these third-party laboratories or enter into new agreements with other laboratories that are able to perform such portions of our service offerings could impair, delay or suspend our efforts to market and sell these tests and services. In the event of any adverse developments with these third-party laboratories or their ability to perform their obligations to us in a timely manner and in accordance with the standards that we and our customers expect, our ability to service our customers may be delayed, interrupted or otherwise adversely affected, which could result in a loss of customers and harm to our reputation. Furthermore, when these issues arise, we have had to expend time, management attention and other resources to address and remedy such issues. In addition, certain third-party payers, including some state Medicaid payers, that we are under contract with may take the position that sending out testing to third-party laboratories and billing for such tests is contrary to the terms of our provider agreement and may refuse to pay us for the testing. If any of these events occur, our business, financial condition and results of operations could suffer. Further, some state laws impose anti-markup restrictions that prevent an entity from realizing a profit margin on outsourced testing. If we or our subsidiaries are unable to markup outsourced testing, our revenues and operating margins may suffer.

If our CLIA-certified laboratory facilities become inoperable, we will be unable to perform our tests and our business will be harmed.

We currently operate laboratory facilities in Austin, Texas, San Carlos, California, and Boulder, Colorado. Our laboratory facilities in Austin and San Carlos process Panorama, Horizon, and Signatera tests, which together represent the significant majority of our revenues. Our other tests that we perform are currently only able to be performed at one, but not all, of our laboratories, and we currently otherwise have no backup or redundant facility to perform these tests. Our San Carlos laboratory is situated near active earthquake fault lines, and our laboratories are located in areas that have in recent years experienced, and are likely to experience in the future, severe weather events. Any of these laboratories may be harmed or rendered inoperable, or samples could be damaged or destroyed, by natural or manmade disasters, including earthquakes, severe weather, flooding, power outages and contamination, including as a result of a health pandemic, which may render it difficult or impossible for us to perform our tests for some period of time. An inability to perform our tests or the backlog of tests that could develop if either our San Carlos or Austin laboratory is inoperable for even a short period of time may result in the loss of customers and an adverse effect on our revenues or harm our reputation.

We rely on a limited number of suppliers or, in some cases, single suppliers, for some of our laboratory instruments and materials and may not be able to find replacements or immediately transition to alternative suppliers.

We have sourced and will continue to source components of our technology, including sequencers, reagents, tubes and other laboratory materials, from third parties. In particular, our sequencers, many of our reagents, including for Panorama, Horizon and Signatera as described below, and our blood collection tubes, are sole sourced.

For example, our molecular diagnostics tests are currently only validated to perform on Illumina's sequencing platform; in addition, Illumina is currently the sole supplier of our sequencers and related reagents for Panorama, Horizon, Signatera and Prospera, along with certain hardware and software, pursuant to a supply agreement that expires in August 2033. Without sequencers and the related reagents, we would be unable to run our tests and commercialize our products. All of the licensees under our Constellation cloud-based distribution model also do not have alternatives other than to use Illumina sequencers and reagents to run the tests that they develop based on our technology. In addition, Illumina and Sequenom, which was acquired by LabCorp, have entered into a patent pooling agreement pursuant to which both parties have pooled their intellectual property directed to NIPT. We understand from public filings that under the patent pooling agreement, Illumina has the exclusive worldwide rights to, among other things, license third-party laboratories to develop and sell NIPTs utilizing the pooled intellectual property and to enforce the pooled intellectual property against suspected infringers. Illumina has granted us certain rights to Illumina's intellectual property related to NIPT, and to the pooled intellectual property, for running our own tests; however, we do not have an express license to grant rights under the pooled intellectual property to the licensees under our Constellation cloud-based distribution model. We are aware that Illumina has required our licensees, in order to secure a supply agreement for the sequencers and reagents necessary to run NIPT under our cloud-based distribution model, to pay an additional fee for a license under the pooled intellectual property in jurisdictions in which Illumina believes certain of the pooled intellectual property is enforceable. This additional fee has dissuaded and could continue to dissuade potential or current licensees from licensing from us or launching a test based on our technology. In addition, we have in the past been involved in patent infringement litigation against Illumina, which we and Illumina have settled. In addition, Illumina competes with us in the NIPT market through its subsidiary, Verinata. We understand Illumina supplies the same or similar sequencers and consumables to Verinata. Because of Illumina's ownership of Verinata, we face increased risk and uncertainty regarding continuity of a successful working relationship with Illumina under our supply agreement, as well as in our ability to compete with Verinata in the marketplace in view of economic advantages enjoyed by Verinata with respect to the cost of sequencers and related consumables. Our failure to maintain a continued supply of the sequencers and reagents, along with the right to use certain hardware and software, would adversely impact our business, financial condition, and results of operations. Validating alternative sequencing platforms requires significant resources, expenditures and time and attention of management, and there is no guarantee that we will be successful in implementing any alternative sequencing platforms in a commercially sustainable way. We also cannot guarantee that we will appropriately prioritize or select alternative sequencing platforms on which to focus our efforts, in particular given our limited product and research and development resources and various business initiatives, which could result in increased costs and delayed timelines or otherwise impact our business and results of operations.

In addition, our Panorama test is currently only validated to be performed using Streck's blood collection tubes, and we use only Streck tubes for the primary analysis of Signatera results, and for our Prospera test. Streck is the sole supplier of the blood collection tubes included in Panorama and our other cell-free DNA tests under a supply arrangement with Streck under which we are required to exclusively use Streck tubes for Panorama. Similarly, all of the licensees under our cloud-based distribution model also have no current alternative but to use these blood collection tubes to run the tests that they develop based on our technology.

Furthermore, our sequencers, sourced from Illumina, as well as certain other reagents we use for Panorama and our other tests, are intended for research use only and are labeled as RUO. As discussed further in the risk factor entitled *"Regulatory and Compliance Risks—Changes in the way the FDA regulates the reagents, other consumables, and testing equipment we use when developing, validating, and performing our tests could result in delay or additional expense in bringing our tests to market or performing such tests for our customers,*" the FDA may determine that a product labeled RUO is, nonetheless, intended to be used diagnostically, and could take enforcement action against the manufacturer of the product. If this were to occur with respect to Illumina or any of our other suppliers of RUO products, we could be required to obtain one or more alternative sources of these products, and we may not be able to do so on commercially reasonable terms, a commercially reasonable timeframe, or at all. In addition, Streck's blood collection tubes have not been registered as a medical device in all countries in which we market our Panorama test. As discussed in the risk factor entitled "*Regulatory and Compliance Risks—Failure to obtain necessary regulatory approvals may adversely affect our ability to expand our operations internationally,"* the regulatory authorities in some of these countries may determine that such registration is required, which could impact our ability to offer Panorama in such countries. Furthermore, because our licensees under our cloud-based distribution model also exclusively use such sole-sourced components to run the tests they develop based on our technology, and our laboratory distribution partners must use certain of such sole-sourced components in order to utilize our tests, any enforcement action against the supplier by the FDA or any other regulatory authority in the jurisdictions in which our licensees and laboratory distribution partners are located could have an adverse impact on our business.

Because we rely on third-party manufacturers, we do not control the manufacture of these components, including whether such components will meet our quality control requirements, nor the ability of our suppliers to comply with applicable legal and regulatory requirements. In many cases, our suppliers are not contractually required to supply these components to the quality or performance standards that we require. If the supply of components we receive does not meet our quality control or performance standards, we may not be able to use the components, or if we use them not knowing that they are of inadequate quality, our tests may not work properly or at all, or may provide erroneous results, and we may be subject to significant delays caused by interruption in production or manufacturing or to lost revenue from such interruption or from spoiled tests. This occasionally occurs with respect to certain reagents. In addition, any natural or other disaster, acts of war or terrorism, shipping embargoes, labor unrest or political instability or similar events at our third-party manufacturers' facilities that cause a loss of manufacturing capacity would heighten the risks that we face.

In the event of any adverse developments with our sole suppliers, or if any of our sole suppliers modifies any of the components they supply to us, our ability to supply our products may be interrupted, and obtaining substitute components could be difficult or require us to re-design or re-validate our products. In addition, if we obtain FDA clearance, approval or de novo classification for any of our tests as an in vitro diagnostic, or IVD, such issues with suppliers or the components that we source from suppliers could affect our commercialization efforts for such an IVD, as further described in the risk factor entitled "*Regulatory and Compliance Risks—If the FDA were to begin actively regulating our tests, we could incur substantial costs and delays associated with trying to obtain premarket clearance or approval and incur costs associated with complying with post-market controls.*" Our failure to maintain a continued supply of components, or a supply that meets our quality control requirements, or changes to or termination of our agreements or inability to renew our agreements with these parties or enter into new agreements with other suppliers, particularly in the case of sole suppliers such as Streck and Illumina, could result in the loss of access to important components of our tests and impact our test performance or affect our ability to perform our tests in a timely manner or at all, which could impair, delay or suspend our commercialization activities. In the event that we transition to a new supplier from any of our sole suppliers, doing so could be time-consuming and expensive, may result in interruptions in our ability to supply our products to the market, could affect the performance of our tests or could require that we re-validate our affected tests using replacement equipment and supplies, which could delay the performance of our tests and result in increased costs. Any of these occurrences could have a material adverse effect on our business, financial condition and results of operations.

We rely on commercial courier delivery services to transport samples to our facilities in a timely and cost-efficient manner and if these delivery services are disrupted, our business may be harmed.

Our core business depends on our ability to quickly and reliably deliver test results to our customers. We typically receive blood samples for analysis at our laboratory facilities within days of collection from the patient. Disruptions in delivery service – whether due to error by the courier service, labor disruptions, bad weather, natural disaster, terrorist acts or threats or for other reasons – some of which we have experienced in the past, could adversely affect specimen integrity, our ability to process or store samples in a timely manner and to service our customers, and ultimately our reputation and our business. In addition, if we are unable to continue to obtain expedited delivery services on commercially reasonable terms, our operating results may be adversely affected.

Security breaches, loss of data and other disruptions, including with respect to cybersecurity, could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and reputation.

In the ordinary course of our business, we collect and store sensitive data, including legally-protected personal information, such as test results and other patient health information, credit card and other financial information, insurance information, and personally identifiable information. We also store sensitive intellectual property and other proprietary business information, including that of our customers, payers and collaboration partners. We are highly dependent on information technology networks and systems, including a combination of on-site systems, managed data center systems and cloud-based data center systems, and the Internet, to securely process, transmit, and store a wide variety of business-critical information, including research and development information, commercial information and business and financial information. We also communicate sensitive data, including patient data, telephonically, through our website, through facsimile, through integrations with third-party electronic medical records systems, and through relationships with third-party vendors and their subcontractors, both in the United States and internationally. The laws of some foreign countries do not protect data privacy to the same extent as the laws of the United States.

The secure processing, storage, maintenance and transmission of this critical information are vital to our operations and business strategy. Although we take measures to protect sensitive information from unauthorized access, use or disclosure, our information technology and infrastructure, and that of our technology and other third-party service providers and their subcontractors, are nevertheless inherently vulnerable to, and from time to time experience, cyber-attacks by hackers or viruses or breaches due to employee error, technical error, malfeasance or other disruptions. Any such breach or interruption, whether of our systems or that of our third-party service providers or their subcontractors, could compromise our data security, and the information we store could be inaccessible by us or could be accessed by unauthorized parties, publicly disclosed, lost or stolen. Any such interruption in access, improper access, disclosure, modification, or other loss of information could result in legal claims or proceedings, liability or penalties under laws and regulations that protect the privacy of personal information, such as the Health Insurance Portability and Accountability Act of 1996, or HIPAA, European data privacy regulations, such as the General Data Protection Regulation, or GDPR, or state privacy regulations, such as the California Consumer Privacy Act. We may be required to comply with state breach notification laws, become subject to mandatory corrective action, or be required to verify the correctness of database contents. Please see "*Business—Government Regulations—HIPAA and Other Privacy Laws*" for more information on these and other data privacy regulations applicable to us. Unauthorized access, loss or dissemination could also disrupt our operations, including our ability to perform tests, provide test results, bill payers or patients, process claims and appeals, provide customer assistance services, conduct research and development activities, develop and commercialize tests, collect, process and prepare company financial information, provide information about our tests, and manage the administrative aspects of our business, any of which could damage our reputation and adversely affect our business. In addition, these breaches and other inappropriate access can be difficult to detect, and any delay in identifying them may compound these adverse consequences. Any such breach could also result in the compromise of our trade secrets and other proprietary information, which could adversely affect our competitive position.

We are also subject to the risks described above as a result of our relationships with third-party vendors and their subcontractors, whose systems may be breached and may cause our sensitive data, including patient data, to be compromised. We have on occasion experienced such disruptions by way of third-party vendors. For example, in 2020 we were notified of a data security incident that affected a third-party vendor, which affected a number of our patients whose protected health information was stored in such third-party vendor's systems. The third-party vendor notified the affected individuals as required by HIPAA.

Our cloud-based distribution model adds additional data privacy risk, as certain personal health and other information may be sent to and stored in the cloud by our laboratory licensees, many of which are located outside of the United States. We contractually prohibit our licensees from sending personally-identifiable information to our cloud servers, and the vendor that hosts our software in the cloud is contractually required to comply with data privacy laws, such as HIPAA and GDPR. However, we cannot be certain that these third parties will comply with the terms of our agreements, nor that they will not experience security breaches or other disruptions.

We are incorporating artificial intelligence across various areas of our business, which presents risks that could adversely affect our business and results of operations.

We are incorporating artificial intelligence, or AI, and machine learning, or ML, technologies into aspects of our business. The development and use of these technologies involve operational, regulatory, legal, and reputational risks that could adversely affect our business, results of operations, and financial condition.

AI and ML systems are complex and may generate inaccurate or unintended outputs due to design limitations, algorithmic flaws, or deficiencies in training data. Reliance on such outputs could result in errors in judgment or operational inefficiencies. These technologies may also introduce information security risks, including vulnerabilities to cyberattacks, unauthorized access, or system disruptions affecting the confidentiality, integrity, or availability of data.

Our use of AI and ML may increase data privacy and intellectual property risks. Inadequate governance, controls, or training could result in data breaches, loss of confidential and proprietary information, unauthorized disclosure of personal data, including PHI, or other misuse of our proprietary information, leading to regulatory investigations, litigation, or reputational harm.

The regulatory landscape for AI is evolving rapidly. Compliance with emerging laws and guidance, including the European Union's Artificial Intelligence Act, evolving FDA guidance, and state privacy laws, may increase costs, require operational changes, or limit certain AI applications. Regulatory developments or shifts in enforcement priorities could restrict our ability to deploy or modify AI systems. Any failure to comply with applicable requirements could result in enforcement actions, fines, operational restrictions, or other adverse effects on our business and results of operations.

The marketing, sale, and use of our tests could result in substantial damages arising from product liability, professional liability, or other claims that exceed our resources.

The marketing, sale and use of our tests could lead to product liability claims against us if someone were to allege that our test failed to perform as it was designed or as claimed in our promotional materials, was performed pursuant to incorrect or inadequate laboratory procedures, if we delivered incorrect or incomplete test results or our test failed to produce a result, or if someone were to misinterpret test results. In addition, we may be subject to liability for errors in, a misunderstanding of, or inappropriate reliance upon, the information we provide, or for failure to provide such information, in connection with our marketing and promotional activities or as part of the results generated by our tests. For example, Panorama could provide a low-risk result which a patient or physician may rely upon to make a conclusion about the health of the fetus, which may, in fact, have the condition for which we delivered a low-risk result because the Panorama result was a so-called false negative. Similarly, Panorama could provide a so-called false positive, which is a high-risk result for a fetus that may not, in fact, have the relevant condition. Even though Panorama and our other tests are highly accurate, they are not 100% accurate and we may report false negative or false positive results, which may subject us to lawsuits claiming product or professional liability or other claims, as has happened in the past and may happen in the future. A product liability or professional liability claim could result in substantial damages and be costly and time-consuming for us to defend. Although we maintain product and professional liability insurance, our insurance may not fully protect us from the financial impact of defending against product liability or professional liability claims or any judgments, fines or settlement costs arising out of any such claims. Any product liability or professional liability claim brought against us, with or without merit, could increase our insurance rates, cause our insurance coverage to be terminated, or prevent us from securing insurance coverage in the future. Additionally, any product liability or professional liability lawsuit could harm our reputation, result in a cessation of our services, or cause our partners to terminate our agreements with them, any of which could adversely impact our results of operations.

If we are unable to successfully scale our operations, our business could suffer.

Our overall test volumes grew from approximately 2,496,100 to 3,064,600 and further to 3,525,500 tests processed during the years ended December 31, 2023, 2024, and 2025, respectively, and in recent years we have launched, and intend to continue to launch, product offerings, enhancements, and indications. In addition, we regularly evaluate and refine our testing process, often significantly updating our workflows. As our test volumes and product portfolio continue to grow, we will need to continue to ramp up our testing capacity and implement increases in scale, such as increased headcount, additional or new equipment, laboratory space and qualified laboratory personnel, increased office and laboratory space, expanded customer service capabilities, billing and systems process improvements, enhanced controls and procedures, and an expanded internal quality assurance program and technology platform. The value of our tests to patients and physicians depends on our ability to perform the tests on a timely basis and at an exceptionally high standard of quality, and on maintaining our reputation for such timeliness and quality. Failure to implement necessary procedures, transition to new facilities, equipment or processes or to hire the necessary personnel in a timely and effective manner could result in higher processing costs or an inability to meet market demand, or could otherwise affect our operating results, as we have experienced in the past.

In addition, our efforts to scale our operations may be unable to keep pace with an increase in the frequency of our launches of new or enhanced products and services. Particularly in recent years, we have expanded into markets or industries new to us with new products, significant product enhancements, and expanded indications. As we continue to launch additional offerings and product enhancements, we will need to manage our resources among various initiatives, and such competing priorities could lead to delays in one or more of our business initiatives. Conversely, to the extent that we scale our operations, infrastructure and other resources but do not ultimately meet our anticipated timelines in our product development efforts, we will experience higher costs and expenses than necessary until our project timelines and operational resources become aligned. We may also, intentionally or unintentionally, allocate resources to new products or initiatives in a manner disproportionate to the amount of revenue that such initiatives generate compared to our existing or core offerings. We cannot assure you that our efforts to scale our commercial operations will not negatively affect the quality of our test process or results, or that we will be successful in managing the growing complexity of our business operations.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for sales, scientific, medical, laboratory, research and development and other technical personnel, and especially in the San Francisco Bay Area where we have an office and laboratory facilities, and the turnover rate of such personnel can be high. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for highly qualified personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations to their former employers, which occurs from time to time. In addition, job candidates and existing employees in the San Francisco Bay Area often consider the value of the equity awards they receive in connection with their employment. To the extent that our current or potential employees perceive the value of our equity awards to be low, our ability to recruit, retain and motivate highly skilled employees may be adversely affected, which could then have an adverse effect on our business and future growth prospects. Furthermore, to the extent that we are unable to retain our employees and they leave our company to join one of our competitors, we cannot assure you that any invention, non-disclosure or non-compete agreements we have in place will provide meaningful protection against a departing employee's unauthorized use or disclosure of our confidential information, as further discussed in "*—Risks Relating to our Intellectual Property—If we are not able to adequately protect our trade secrets and other proprietary information, the value of our technology and products could be significantly diminished*."

In addition, our growth may place a significant strain on our operating and financial systems and our management, sales, marketing and administrative resources. As a result of our growth, our operating costs may escalate faster than we anticipate, we may face difficulties in obtaining additional office or laboratory space, and some of our internal systems may need to be enhanced or replaced. If we cannot effectively manage our expanding operations and our costs, we may not be able to grow successfully or we may grow at a slower pace, and our business could be adversely affected.

If our sales, distribution, development or other partnerships are not successful and we are not able to offset the resulting impact through our own efforts or through agreements with new partners, our commercialization activities may be impaired and our financial results could be adversely affected.

Part of our business strategy is to develop relationships with laboratory and other partners to develop or sell our products, both in the United States and internationally. For example, we have entered into an agreement with BGI Genomics pursuant to which, among others, BGI Genomics commercializes our MRD test in China on its sequencing platform. Developing and commercializing products with third parties reduces our control over such development and commercialization efforts and subjects us to the various risks inherent in a joint effort with a third party, such as delays, operational issues, technical difficulties and other contingencies outside of our influence or control. Distributing Panorama, Signatera and our other products through partners reduces our control over our revenues, our market penetration and our gross margin on sales by the partner if we could have otherwise made that sale through our direct sales force. The financial condition of these third parties could weaken, or they could terminate their relationship with us and/or stop selling our products, as has happened in the past; reduce their marketing efforts in respect of our products; develop and commercialize or otherwise sell competing products in addition to or in lieu of our tests, as has also occurred; merge with or be acquired by a competitor of ours or a company that chooses to de-prioritize or cease the efforts to develop, sell or otherwise partner with us on our products; or otherwise breach their agreements with us. Furthermore, our laboratory partners may misappropriate our trade secrets or use our proprietary information in such a way as to expose us to litigation and potential liability; and our compliance risk may increase to the extent that we are responsible, or deemed responsible, for our partners' sales and marketing activities. Disagreements or disputes with our partners, including disagreements over customers, proprietary rights or our or their compliance with contractual obligations, might cause delays or impair the commercialization of our tests, lead to additional responsibilities for us with respect to new tests, or result in litigation or arbitration, any of which would divert management attention and resources and be time-consuming and expensive. As is typical for companies in our industry, we are continually evaluating and pursuing various strategic or commercial partnerships, relationships, or collaborations, some of which may involve the sale and issuance of our common stock, which could result in additional dilution of the percentage ownership of our stockholders and could cause the price of our common stock to decline.

If our partnerships are not successful, our ability to increase sales of our products and to successfully execute our strategy could be compromised.

Our financial condition and results of operations may be adversely affected by international regulatory and business risks.

As we expand our operations, including by offering our tests in other countries, we are increasingly subject to varied and complex foreign and international laws and regulations due to operating, offering our products, or contracting with employees, contractors and other service providers in various other countries. Compliance with these laws and regulations often involves significant costs and may require changes in our business practices that may result in reduced revenues and adversely affect our operating results.

We are subject to the Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, which prohibits companies and their intermediaries from making payments in violation of law to non-U.S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage. Our reliance on independent laboratories to sell Panorama and other products internationally demands a high degree of vigilance in maintaining our policy against participation in corrupt activity, because these distributors could be deemed to be our agents and we could be held responsible for their actions. Other U.S. companies in the medical device and pharmaceutical field have faced criminal penalties under the FCPA for allowing their agents to deviate from appropriate practices in doing business with foreign government officials. We are also subject to similar anti-bribery laws in the jurisdictions in which we operate, including the United Kingdom's Bribery Act of 2010, which also prohibits commercial bribery and makes it a crime for companies to fail to prevent bribery. These laws are complex and far-reaching in nature. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, involve significant costs and expenses, including legal fees, and we could be subject to severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures, any of which could result in a material adverse effect on our business, prospects, financial condition, or results of operations.

In addition, our international activities are subject to U.S. economic and trade sanctions, which restrict or otherwise limit our ability to do business in certain designated countries. Other limitations, such as restrictions on the import into the United States or the export to other countries of tissue or genetic data necessary for us to perform our tests, or restrictions on importation and circulation of blood collection tubes or other equipment or supplies by countries outside of the United States, may limit our ability to offer our tests internationally. We may also face competition from companies located in the countries in which we or our partners or licensees offer our tests, and in which we may be at a competitive disadvantage because the country may favor a local provider or for other reasons.

By operating internationally, we may experience longer accounts receivable payment cycles and difficulties in collecting accounts receivable; realize lower margins due to lower pricing in many countries; incur potentially adverse tax consequences, including the complexities of foreign value added tax systems, tax inefficiencies related to our corporate structure and restrictions on the repatriation of earnings; experience financial accounting and reporting burdens and complexities; experience difficulties in staffing and managing foreign operations, including under labor and employment laws and regulations that are new or unfamiliar to us; be subject to trade barriers such as tariffs, quotas, preferential bidding or import or export licensing requirements; be exposed to political, social and economic instability abroad, including terrorist attacks and security concerns; be exposed to fluctuations in currency exchange rates; and experience reduced or varied protection for intellectual property rights and practical difficulties in enforcing intellectual property and other rights, including with respect to assignment of inventions to us by our consultants in foreign jurisdictions.

Outside of the United States we enlist local and regional laboratories, contract employees and other contracted service providers to assist with various aspects of our business operations, including blood draws, engineering, sales, marketing, billing and customer support. Subject to regulatory clearance where required, we also contract with international licensees to run the molecular portion of our tests in their own labs and then access our algorithm for analysis of the resulting data through our cloud-based Constellation platform. Locating, qualifying and engaging additional distribution partners and local laboratories with local industry experience and knowledge is necessary to effectively market and sell our tests outside of the United States. We may not be successful in finding, attracting and retaining such distribution partners or laboratories, or we may not be able to enter into such arrangements on favorable terms. Sales practices and other activities utilized by our distribution partners, contract employees and other service providers, some of which may be locally acceptable, may not comply with relevant standards required under United States laws that apply to our operations overseas, including through third parties, which could create additional compliance risk. Our training and compliance program and our other internal control policies and procedures, and our contractual terms with these third parties, may not always protect us from acts committed by our employees, contractors, partners or agents abroad. Non-compliance by us or our employees, contractors, partners or agents, whether maliciously or in error, of any applicable laws or regulations could result in fines or penalties, or adversely affect our ability to operate and grow our business. Even if we are able to effectively manage our international operations, if our distribution partners and local and regional laboratory licensees are unable to effectively manage their businesses, our business and results of operations could be adversely affected. Furthermore, the legal landscape governing advertising, promotional and other marketing activities can vary widely from jurisdiction to jurisdiction, and is often more complex, less clear or less developed than in the United States. If our marketing activities are found to be in violation of local laws, regulations or practices, we may be subject to fines and other penalties, and may be required to cease marketing or commercialization activities in such jurisdiction. If our sales and marketing efforts are not successful outside of the United States, we may not achieve market acceptance for our tests outside of the United States, which would harm our business.

Operating internationally requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required to increase international revenues or expand our international presence will produce desired levels of revenues or profitability.

If we lose the services of our founder and Executive Chairman, our Chief Executive Officer, or other members of our senior management team, we may not be able to execute our business strategy.

Our success depends in large part upon the continued service of our senior management team. In particular, our founder and Executive Chairman, Matthew Rabinowitz, as well as Steve Chapman, our Chief Executive Officer, are critical to our vision, strategic direction, culture, products and technology. In addition, we do not maintain key-man insurance for Dr. Rabinowitz, Mr. Chapman or any other member of our senior management team. The loss of our founder and Executive Chairman, our Chief Executive Officer, or one or more other members of our senior management team could have an adverse effect on our business.

We may engage in acquisitions, dispositions or other strategic transactions that could disrupt our business, cause dilution to our stockholders or reduce our financial resources.

From time to time, we have and may in the future enter into transactions to acquire or dispose of businesses, products or technologies or to engage in other strategic transactions, such as our recent acquisition of Foresight Diagnostics. We may not be able to complete such transactions on favorable terms or at all. Any acquisitions or other strategic transactions we consummate may not strengthen our competitive position, and these transactions may be viewed negatively by customers or investors. We may decide to incur debt in connection with an acquisition or issue shares of our common stock or other equity securities to the stockholders of the acquired company, which would cause dilution to our existing stockholders. We could incur losses resulting from such strategic transactions, including undiscovered liabilities of an acquired business that are not covered by any indemnification we may obtain from the seller. In addition, we may not be able to successfully integrate any acquired personnel, technologies and operations into our existing business in an effective, timely and non-disruptive manner. Any dispositions may also cause us to lose revenue and may not strengthen our financial position. Strategic transactions may also divert management attention from day-to-day responsibilities, increase our expenses, result in accounting charges, and reduce our cash available for operations and other uses. We cannot predict the number, timing or size of future strategic transactions or the effect that any such transactions might have on our operating results.

We are involved in legal proceedings, regulatory investigations and inquiries and other legal matters, which may have an adverse effect on our business, financial condition, results of operations and prospects.

We are involved in legal matters, including investigations, subpoenas, demands, disputes, litigation, requests for information, and other regulatory or administrative actions or proceedings, including those with respect to intellectual property, testing and test performance, billing, reimbursement, marketing, short seller and media allegations, employment, and other matters. See Note 10—*Commitments and Contingencies—Legal Proceedings* for a description of our legal matters.

We are responding to ongoing regulatory and governmental investigations, subpoenas and inquiries, and contesting our current legal matters, and cannot provide any assurance as to the ultimate outcome with respect to any of the foregoing. There are many uncertainties associated with these matters. Such matters may cause us to incur costly litigation and/or substantial settlement charges, divert management attention, result in adverse judgments, fines, penalties, injunctions or other relief, and may result in loss of customer or investor confidence regardless of their merit or ultimate outcome. For example, in 2024, a jury verdict of $57 million was awarded against us in a patent infringement lawsuit filed by Ravgen, Inc., and a jury verdict of over $292 million was awarded against us in litigation with Guardant Health, Inc. Although we intend to appeal any adverse judgment, we cannot assure you that we will be successful. In addition, the resolution of any intellectual property litigation may require us to make royalty payments, which could adversely affect gross margins in future periods. If any of the foregoing were to occur, our business, financial condition, results of operations, cash flows, prospects, or stock price could be adversely affected.

We may need to raise additional capital, and if we cannot do so when needed or on commercially acceptable terms, we will be required to slow or cease our investment in our product development and commercialization plans, which would have an adverse effect on our business.

We have incurred net losses since our inception, and we anticipate net losses and negative operating cash flows for the near future. While we have introduced multiple products that are generating revenues, these revenues may not be sufficient to fund all of our operations, including our product development and commercialization plans. Consequently, we will need to generate additional revenues to achieve future profitability and may need to raise additional funds through public or private equity or debt financings, corporate collaborations or licensing arrangements to continue to fund or expand our operations.

Our actual liquidity and capital funding requirements will depend on numerous factors, including:

- our ability to achieve broader commercial success with our tests and product offerings;

- the costs and success of our research, development, and commercialization efforts for potential new products and additional indications for, and enhancements to, current products;

- our ability to obtain more extensive coverage and reimbursement for our tests, including for microdeletions screening in NIPT, as well as in additional indications in women's health, oncology, and organ health as we continue to invest in expanding our offerings in these fields;

- our ability to collect on our accounts receivable;

- our need to finance capital expenditures and further expand our clinical laboratory operations;

- our ability to manage our operating costs;

- costs and expenses to protect or enforce our intellectual property rights or to defend against infringement claims brought against us, including any associated litigation settlements or judgments we are required to pay; and

- the timing and results of any regulatory authorizations that we are required to obtain for our tests.

Additional capital, if needed, may not be available on satisfactory terms or at all. Furthermore, any additional capital raised through the sale of equity or equity-linked securities, or grant of equity or equity-linked securities in connection with any debt financing, will dilute stockholders' ownership interests in us and may have an adverse effect on the price of our common stock. In addition, the terms of any financing may adversely affect stockholders' holdings or rights. Debt financing, if available, may include restrictive covenants, and may impose other constraints on us and our operations. To the extent that we raise capital through collaborations and licensing arrangements, it may be necessary to relinquish some rights to our technologies or grant licenses on terms that may not be favorable to us.

If we are not able to obtain adequate funding when needed, we may be required to delay or slow our investment in the development and commercialization of our products and significantly scale back our business and operations, which would have an adverse effect on our business. In addition, we may have to work with a partner on one or more of our tests or programs, which could lower the economic value of those programs to our company.

We have incurred indebtedness that may decrease our business flexibility, access to capital, and/or increase our borrowing costs, which may adversely affect our operations and financial results.

As of December 31, 2025, we have $80.3 million of outstanding balance, including accrued interest, under our credit line with UBS. This credit line is secured by a first priority lien and security interest in our money market and marketable securities held in our managed investment account with UBS. We are required to maintain a minimum of at least $150.0 million in our UBS accounts as collateral. UBS has the right to demand full or partial payment of the credit line obligations and terminate the credit line, in its discretion and without cause, at any time.

Recent macroeconomic pressures resulting from ongoing geopolitical or other matters may have an adverse impact on our business, financial results and prospects.

The COVID-19 pandemic had a significant negative impact on the macroeconomic environment, such as decreases in per capita income and level of disposable income, inflation, rising interest rates, and supply chain issues. Ongoing geopolitical matters in recent years have also contributed to difficult macroeconomic conditions and exacerbated supply chain issues, resulting in significant economic uncertainty as well as volatility in the financial markets, particularly in the United States. Such conditions may adversely impact our business, financial results, and prospects. In addition, such macroeconomic conditions could impact our ability to access the public markets as and when appropriate or necessary to carry out our operations or our strategic goals. We cannot predict the ongoing extent, duration or severity of these conditions, nor the extent to which we may be impacted.

In the event of health epidemics or outbreaks in the future, our operations could be disrupted and our business adversely impacted. Such disruptions or impacts may be similar to those we faced during the COVID-19 pandemic, such as mandated business closures in impacted areas, limitations with employee resources due to stay at home orders or sickness of employees or their families, reduced demand for certain of our products, or supply constraints.

Ethical, legal and social concerns related to the use of genetic information could reduce demand for our tests.

DNA testing, like that conducted using Panorama, Horizon, Signatera, and our other products, has raised ethical, legal and social issues regarding privacy and the appropriate uses of the resulting information. Governmental authorities could, for social or other purposes, limit or regulate the use of genomic information or genomic testing or prohibit testing for genetic predisposition to certain conditions, particularly for those that have no known cure. Patients may also refuse to use genetic tests even if permissible, for similar reasons such as religious concerns; they may also refuse genetic testing due to concerns regarding eligibility for life or other insurance. Ethical and social concerns may also influence U.S. and foreign patent offices and courts with regard to patent protection for technology relevant to our business. These and other ethical, legal and social concerns may limit market acceptance of our tests or reduce the potential markets for services and products enabled by our technology platform, either of which could harm our business.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

We have a significant amount of net operating loss, or NOL, carryforwards that can be used to offset potential future taxable income and related income taxes. As of December 31, 2025, we had federal, state, and foreign NOL carryforwards of approximately $2.0 billion, $1.4 billion and $4.5 million, respectively, which, if not utilized, begin to expire in 2030, 2026, and 2027, respectively. Approximately $1.7 billion of these federal NOLs can be carried forward indefinitely. We also had federal research and development credit carryforwards of approximately $83.6 million, which begin to expire in 2027, and state research and development credit carryforwards of approximately $48.9 million, which begin to expire in 2031. Under Section 382 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change" (generally defined as a greater than 50% change, by value, in equity ownership over any three-year period), the corporation's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We may experience ownership changes in the future as a result of shifts in our stock ownership, some of which may not be within our control. Our ability to use these carryforwards could be limited if we experience an "ownership change" or if the tax laws are amended or otherwise changed.

Our estimates of total addressable market opportunity and forecasts of market growth may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates.

Total addressable market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Our publicly announced estimates and forecasts relating to the size and expected growth of the markets in which we compete may prove to be inaccurate. Even if a market in which we compete meets our size estimates and forecasted growth for such market, our business could fail to grow at similar rates.

Risks Related to Reimbursement

If we are unable to expand, maintain or obtain third-party payer coverage and reimbursement for Signatera, Panorama, Horizon, and our other tests, or if we are required to refund any reimbursements already received, our revenues and results of operations would be adversely affected.

Our business depends on our ability to obtain and maintain adequate coverage and reimbursement from third-party payers and patients. Third-party reimbursement for our testing represents a significant portion of our revenues, and we expect government and commercial third-party payers to continue to be our primary source of payments. In particular, we believe that in order for us to continue to achieve commercial success, we will need to achieve insurance coverage for microdeletions screening, and obtain positive coverage determinations and favorable reimbursement rates from commercial third-party payers, the Centers for Medicare & Medicaid, or CMS, and state reimbursement programs for our tests. Historically, we have not received reimbursement for a significant number of Panorama tests that we have performed for microdeletions; we have published data from our SMART Study, but we cannot be certain whether, or to what extent, the SMART Study may impact insurance coverage and reimbursement for Panorama for microdeletions. In addition, while we have received positive coverage determinations for certain specified uses and indications of our Signatera test from commercial third-party payers as well as the Molecular Diagnostic Services Program, or MolDx, which identifies and establishes Medicare coverage and reimbursement for molecular diagnostic tests, as well as for our Prospera Kidney and Lung tests, we cannot guarantee that our tests will be reimbursed at the rates we expect, or at the same or similar rates as we have received thus far. If we are unable to obtain or maintain coverage or adequate reimbursement from, or achieve in network status with, third-party payers for our existing or future tests, our ability to generate revenues will be limited. For example, physicians may be reluctant to order our tests due to the potential of a substantial out-of-pocket cost to the patient if reimbursement coverage is unavailable or insufficient.

In making coverage determinations, third-party payers often rely on practice guidelines issued by professional societies. The practice guidelines issued by professional societies now generally acknowledge that NIPT is the most sensitive screening option for, and/or are generally supportive of NIPT in, average-risk pregnancies, in addition to high-risk pregnancies. However, while most third-party payers now reimburse for NIPT for average-risk patients, it remains the case that not all third-party payers, including state Medicaid payers, do so. Furthermore, many third-party payers do not reimburse for microdeletions screening. While we have published data on the performance of Panorama for the 22q11.2 deletion syndrome, including most recently from our SMART Study, we have and may continue to experience low reimbursement rates for Panorama for microdeletions, and we may otherwise be unable to obtain positive coverage determinations for our test. If third-party payers do not reimburse for NIPT for microdeletions in the future, our future revenues and results of operations may be adversely affected, particularly to the extent that we continue to perform large volumes of tests for which third-party payers do not reimburse.

In addition, although there is a CPT code in place for microdeletions testing, we have experienced low average reimbursement rates for microdeletions under this CPT code, and we expect our microdeletions reimbursement to remain low, at least in the near term, due to third-party payers declining to reimburse and as a result of reduced reimbursement, under the code, which has had, and we expect to continue to have, an adverse effect on our revenues.

The reimbursement environment, particularly for molecular diagnostics, is continually changing and our efforts to broaden reimbursement for our tests with third-party payers may not be successful. Third parties, such as commercial health insurers and government programs, from whom we have received reimbursement may withdraw coverage or decrease the amount of reimbursement for our tests at any time and for any reason, or may otherwise adopt requirements, programs or policies that may restrict or adversely affect our business. In addition, in some cases, our tests or their uses within certain populations, such as for microdeletions, are considered experimental by third-party payers and, as a result, some payers have decided not to cover or reimburse for such tests. Some third-party payers bundle payment for multiple tests or tests that screen for multiple conditions, such as our Horizon test or our Panorama test and the separate Panorama screen for microdeletions, into a single payment rate, thereby limiting our reimbursement in those situations. Payers may also dispute our billing or coding. Based on any of the foregoing, third-party payers may also decide to deny payment or recoup payment for testing that they contend to have been not medically necessary, against their coverage determinations, or for which they have otherwise overpaid, and we may be required to refund reimbursements already received. We deal with requests for recoupment from third-party payers from time to time in the ordinary course of our business, and it is likely that we will continue to do so in the future. See "*Note 10—Commitments and Contingencies—Third-Party Payer Reimbursement Audits*" in the Notes to Consolidated Financial Statements. If a third-party payer denies payment for testing, reimbursement revenue for our testing could decline. If a third-party payer successfully proves that payment for prior testing was in breach of contract or otherwise contrary to law, they may recoup payment or bring legal action to do so, which amounts could be significant and would adversely impact our results of operations, and it may decrease reimbursement going forward. We may also decide to negotiate and settle with a third-party payer in order to resolve an allegation of overpayment. Any of these outcomes might require us to restate our financials from a prior period, which would likely cause our stock price to decline. For example, in 2018 we reached a settlement with certain government payers regarding past reimbursement submissions; although the settlement involved no admission of fault by us and no corporate integrity agreement, we cannot guarantee that we will not be subject to similar claims, resulting in additional settlements or repayments, in the future.

Furthermore, some of our contracts with third-party payers contain so-called most favored nation provisions, pursuant to which we have agreed that we will not bill the third-party payer more than we bill any other third-party payer. We must therefore monitor our billing and claims submissions to ensure that we remain in compliance with these contractual requirements with third-party payers. If we do not successfully manage these most favored nation provisions, we may need to forego revenues from some third-party payers or reduce the amount we bill to each third-party payor with a most-favored nation clause in its contract that is violated, which would adversely affect our revenues. This situation could also subject us to claims for recoupment, which could require the time and attention of our management, require the expense of engaging outside counsel or consultants, and may be a distraction from development of our business, adversely impacting our operations. Such recoupment demands could also ultimately result in an obligation to repay amounts previously earned.

In addition, if a third-party payer denies coverage, it may be difficult for us to collect from the patient, and we may not be successful in doing so. In particular, we are often unable to collect the full amount of a patient's responsibility where we are an out-of-network provider and the patient is left with a large balance, despite our good faith efforts to collect. As a result, we cannot always collect the full amount due for our tests when third-party payers deny coverage, cover only a portion of the invoiced amount or the patient has a large cost-sharing obligation, which may cause payers to raise questions regarding our billing policies and patient collection practices. We believe that our billing policies and our patient collection practices are compliant with applicable laws and reimbursement policies. However, from time to time we receive inquiries from third-party payers regarding our billing policies and collection practices. We address these inquiries as and when they arise, but there is no guarantee that we will always be successful in addressing such concerns in the future, which may result in a third-party payer deciding to reimburse for our tests at a lower rate or not at all, seeking recoupment of amounts previously paid to us, or bringing legal action to seek reimbursement of previous amounts paid. Any of such occurrences could cause reimbursement revenue for our testing, which constitutes the large majority of our revenue, to decline. Additionally, if we were required to make a repayment, such repayment could be significant, which would adversely impact our results of operations, and we might be required to restate our financials from a prior period, which would likely cause our stock price to decline.

Our revenues may be adversely affected if we are unable to successfully obtain reimbursement from the Medicare program and state Medicaid programs.

Medicare reimbursement impacts our revenues from our oncology and organ health products, as a large proportion of these patients are covered by Medicare. Medicare beneficiaries generally do not receive our women's health testing. However, Medicare reimbursement can affect both Medicaid reimbursement, which is relevant to our NIPT, and reimbursement from commercial third-party payers. Specifically, fee-for-service Medicaid programs generally do not reimburse at rates that exceed Medicare's fee-for-service rates, and many commercial third-party payers set their payment rates at a percentage of the amounts that Medicare pays for such testing services. Medicare reimbursement rates are typically based on the Clinical Laboratory Fee Schedule, or CLFS, set by CMS. Our current Medicare Part B reimbursement for Panorama was not set pursuant to a national coverage determination by CMS. Although we believe that coverage is available under Medicare Part B even without such a determination, we currently lack the certainty afforded by a formal national coverage determination by CMS. Thus, CMS could issue an adverse coverage determination as to Panorama which could influence other third-party payers, including state Medicaid programs, and could have an adverse effect on our revenues.

It is estimated that nearly half of all births in the United States are to state Medicaid program beneficiaries. Each state's Medicaid program has its own coverage determinations related to our testing, and many state Medicaid programs do not provide coverage for our testing. Even if our testing is covered by a state Medicaid program, we must be recognized as an enrolled Medicaid provider by the state in which the Medicaid beneficiary receiving the services resides in order for us to be reimbursed by a state's Medicaid program, including under a Medicaid managed care plan. Furthermore, in certain states that have implemented managed care organizations, or MCOs, that are typically operated by commercial third-party payers, we would also need to contract with one or more MCOs as a participating provider for us to be reimbursed for testing services that we provide to a Medicaid beneficiary.

Our San Carlos, CA laboratory is enrolled as a Medicaid provider in 51 U.S. states or territories and our Austin, TX laboratory is enrolled as a Medicaid provider in 43 states. However, even if we are recognized as a Medicaid provider in a state, if Medicare's CLFS rate for our services and tests are low, the Medicaid reimbursement amounts are sometimes as low, or lower, than the Medicare reimbursement rate. In addition, from time to time we receive requests from state Medicaid programs seeking information or documents to determine eligibility for and the amount of Medicaid reimbursement. As a result of all of these factors, many state Medicaid programs only reimburse our testing at a low dollar amount, or not at all. Low or zero-dollar Medicaid reimbursement rates for our tests could have an adverse effect on our business and revenues.

Our revenues may be adversely impacted if third-party payers withdraw coverage or provide lower levels of reimbursement due to changing policies, billing complexities or other factors.

We are in-network, or under contract, with the significant majority of third-party payers from whom we receive reimbursement; this means that we have agreements with most third-party payers that govern test approval or payment terms. However, these contracts do not guarantee reimbursement for all testing we perform. For example, third-party payers with whom we have written agreements may have time-sensitive deadlines to file claims or may have policies that state they will not reimburse for the screening of microdeletions, or don't have a policy in place to reimburse for microdeletions screening. In addition, the terms of certain of our payer agreements require the ordering physician or qualified practitioner's signature on test requisitions or require other controls and procedures prior to conducting a test. In particular, third-party payers have increasingly required prior authorization to be obtained prior to conducting a test, as a condition to reimbursing for the test. This has placed a burden on our billing operations as we have to dedicate or source resources to ensuring that these requirements are met and to conduct follow-up and address issues as they arise, and has also impacted our results of operations, including our gross margins, since these requirements began to take effect. To the extent we or the physicians ordering our tests do not follow the prior authorization requirements, we may be subject to claims for recoupment of reimbursement amounts previously paid to us, or may not receive some or all of the reimbursement payments to which we would otherwise be entitled. This has occurred in some cases and may occur more frequently in the future, which does and would have an adverse impact on our revenues.

Where we are considered to be an out of network provider, which is the case with some third-party payers from whom we receive reimbursement, such third-party payers could deny coverage and decline to reimburse for our tests according to each plan enrollee's policy. Managing reimbursement on a case-by-case basis is time-consuming and contributes to an increase in the number of days it takes us to collect on accounts, which also increases our risk of non-payment. Negotiating reimbursement on a case-by-case basis also typically results in the receipt of reimbursement at a significant discount to the list price of our tests.

Even if we are being reimbursed for our tests, third-party payers may review and adjust the rate of reimbursement, require patient cost-sharing, or stop paying for our tests. Government and commercial third-party payers continue to increase their efforts to control the cost, utilization and delivery of healthcare services by demanding price discounts or rebates and limiting coverage of, and amounts they will pay for, molecular diagnostic tests. These measures have resulted in reduced payment rates and decreased utilization in the clinical laboratory industry. Because of these cost-containment measures, governmental and commercial third-party payers may reduce, suspend, revoke or discontinue payments or coverage at any time, including payors that currently provide reimbursement for our tests. Reduced reimbursement of our tests may harm our business, financial condition or results of operations.

Billing for clinical laboratory testing services is complex. We perform tests in advance of payment and without certainty as to the outcome of the billing process. In cases where we expect to receive a fixed fee per test due to our reimbursement arrangements, we may nevertheless encounter disputes over pricing and billing. Among the factors complicating our billing of third-party payers are disparity in coverage among various payers; disparity in, and increasingly difficult, information and billing requirements among third-party payers, including with respect to prior authorization requirements and procedures and establishing medical necessity; and incorrect or missing billing information, which is required to be provided by the ordering healthcare practitioner. These billing complexities, and the associated uncertainty in obtaining payment for our tests, could result in reduced reimbursement of our tests, which could harm our business, financial condition and results of operations.

A CPT code specific to NIPT for aneuploidies, and a CPT code for microdeletions, are in place, and CMS has established a pricing benchmark for aneuploidy and microdeletions testing. However, our microdeletions reimbursement has remained low because third-party payers are declining to reimburse, or reimbursing at low rates, under the microdeletions CPT code. Furthermore, we cannot guarantee that any data that we publish, such as from our SMART Study, will be sufficient to enable us to obtain positive coverage determinations for Panorama for microdeletions, negotiate favorable rates under the microdeletions CPT code, or receive reimbursement at all for this testing. We do not currently have assay-specific CPT codes assigned for all of our tests, and there is a risk that we may not be able to obtain such codes or, if obtained, we may not be able to negotiate favorable rates for such codes. We currently submit for reimbursement using CPT codes based on the guidance of outside coding experts and legal counsel. There is a risk that the codes we currently submit may be rejected or withdrawn or that third-party payers will seek refunds of amounts that they claim were inappropriately billed based on either the CPT code used, or the number of units billed. In addition, third-party payers may not establish positive coverage policies for our tests or adequately reimburse for any CPT code we may use, or seek recoupment for testing previously performed, which have occurred in the past.

Regulatory and Compliance Risks

We may be subject to increased compliance risks as a result of our rapid growth, including our dependence on our sales, marketing and billing efforts.

We are highly reliant on our sales, marketing and billing activities to generate revenues in our business. We maintain a heightened focus on our training and compliance efforts in line with our reliance on personnel in these functions, and the significance of these functions as components of our business. We continue to educate, train and monitor our personnel, but from time to time we experience situations in which employees fail to strictly adhere to our policies. In addition, sales and marketing activities in the healthcare space are subject to various rules and regulations, as described in the risk factor entitled "*Reimbursement and Regulatory Risks Related to Our Business—If we or our laboratory distribution partners, consultants or commercial partners act in a manner that violates healthcare fraud and abuse laws or otherwise engage in misconduct, we may be subject to civil or criminal penalties*." Moreover, our billing and marketing messaging can be complex and nuanced, and there may be errors or misunderstandings in our employees' communication of such messaging. Furthermore, we utilize text messaging, email, phone calls and other similar methods to communicate with patients who are existing or potential users of our products for various business purposes. These activities subject us to laws and regulations relating to communications with consumers, such as the CAN-SPAM Act and the Telephone Consumer Protection Act, violations of which could subject us to claims by consumers, who may seek actual or statutory damages, as has happened in the past, which could be material in the aggregate. As our sales and marketing efforts continue to be critical to our business, with respect to both our expanding product portfolio as well as continued geographical expansion, we will continue to face an increased need to remain vigilant in monitoring and improving our policies, processes and procedures to maintain compliance with a growing number and variety of laws and regulations, including with respect to consumer marketing. To the extent that there is any violation, whether actual, perceived or alleged, of our policies or applicable laws and regulations, we may incur additional training and compliance costs; may, and from time to time do, receive inquiries, such as informal requests for documents, civil investigative demands, and subpoenas, from third-party payers or other third parties, including government entities; or may be held liable or otherwise responsible for such acts of non-compliance. Any of the foregoing could adversely affect our cash flow and financial condition.

If the FDA were to begin actively regulating our tests, we could incur substantial costs and delays associated with trying to obtain premarket 510(k) clearance, de novo classification, or premarket approval and incur costs associated with complying with post-market controls.

We currently offer a number of genetic tests, and each of those tests is an LDT. The FDA considers an LDT to be a test that is designed, developed, validated and used within a single laboratory. Our laboratories are currently regulated under CLIA and must comply with CAP requirements, and we are subject to extensive federal and state laws and regulations. The FDA issued a final rule in May 2024 that would have subjected many LDTs to regulatory requirements including, in some cases, premarket authorization. A federal district court vacated the FDA final rule in May 2025, holding that LDTs are not subject to FDA regulation. FDA rescinded the final rule in September 2025. FDA has not indicated how it will interpret the court ruling or whether it will seek a different regulatory approach with respect to LDTs or components thereof. In June 2025 Congress re-introduced the Verifying Accurate, Leading-edge IVCT Development Act, or VALID Act, to establish a new risk-based regulatory framework for in vitro clinical tests, or IVCTs, including IVDs, LDTs, collection devices and instruments used with such tests. This legislation was previously introduced in 2021 and 2023.

If FDA develops an alternate approach to regulating LDTs, or if Congress enacts legislation giving FDA authority to regulate our current or future LDTs, or any components or materials we use in, or software that we or our customers use as part of, our tests, we may be forced to stop selling our tests or we may be required to modify claims for or make other changes to our tests while we or our suppliers work to comply with FDA requirements including, potentially, premarket authorization. Our business could be adversely affected while such review is ongoing and if we or our supplier are ultimately unable to obtain such authorization. As further described in the risk factor entitled "*Uncertainty in the development and commercialization of our enhanced or new tests or services could materially adversely affect our business, financial condition and results of operations*," completing such submissions requires the expenditure of time, attention and financial and other resources, and may not yield the desired results, which may delay, limit or prevent authorization. In addition, we may require cooperation in our filings from third-party manufacturers of the components of our tests. If we are unable to obtain such required cooperation, we may be unable to achieve the desired regulatory authorizations or may be delayed or be required to expend additional costs and other resources in doing so. For example, Illumina currently is our sole sequencer and sequencing reagent supplier. If we seek to achieve marketing authorization for Panorama, to the extent that Panorama incorporates Illumina's sequencer or sequencing reagents, we may require Illumina's cooperation in the regulatory process. We may face difficulty obtaining cooperation from Illumina because Illumina is the parent company of Verinata, a direct competitor of ours in the NIPT field. In addition, we have been party to certain intellectual property proceedings with Illumina as described elsewhere in these Risk Factors. Moreover, if FDA premarket authorization is required, our cash flows may be adversely affected until we obtain such clearance, approval or de novo classification, as most third-party payers, including Medicaid, will not reimburse for use of medical devices which are required to, but which do not, have marketing authorization. Furthermore, the FDA may conclude that Constellation is subject to regulation as CDS, which could have an adverse impact on our ability to commercialize our Constellation software. The need to obtain regulatory clearance, approval or de novo classification for Constellation could cause us to incur substantial costs and delays and interfere with our customers' ability to use the software in the development and commercialization of their diagnostic tests based on our technology.

We cannot assure you that, if we decide or are required to seek premarket clearance or approval or de novo classification for Panorama or any of our other tests, our efforts will succeed on a timely basis or at all. In addition, after a test has been cleared, approved or reclassified through the de novo pathway, certain kinds of changes that we may make to improve the test, or certain modifications by a supplier of a component upon which our approval relies, may result in the need for additional clearance, approval, or de novo classification by the FDA before we can implement them, which could increase the time and expense involved in implementing such changes commercially. The need for compliance with such FDA regulations would be time-consuming and expensive, potentially diverting resources from other aspects of our business, and we could be subject to legal actions, including fines and penalties, if we fail to comply with these requirements, any of which may adversely impact our business and results of operations.

Furthermore, the FDA or the Federal Trade Commission, or FTC, as well as state consumer protection agencies, may object to the materials and methods we use to promote the use of our current tests or other tests we may develop in the future, including with respect to the product claims in our promotional materials, and may initiate enforcement actions against us. Enforcement actions by the FDA may include, among others, untitled or warning letters; fines; injunctions; civil or criminal penalties; recall or seizure of current or future tests, products or services; operating restrictions and partial suspension or total shutdown of production. Enforcement actions by the FTC and state consumer protection agencies may include, among others, injunctions, civil penalties, and equitable monetary relief.

We may not be able to obtain approval from the FDA for Signatera PMAs currently under review or for applications that we may submit to FDA in the future.

We have submitted PMAs for Signatera for approval as a companion diagnostic. We may face difficulties in obtaining approval of these PMAs for a variety of reasons, including failure to demonstrate the safety and/or effectiveness of our tests to FDA's satisfaction. If approval of any of our pending Signatera PMAs is delayed or denied our business could be adversely affected.

In addition, The FDA has granted us Breakthrough Device designations for our Signatera test covering its use in various applications. While receiving such designations enables us to have increased interactions with FDA, this designation does not change the requirement that we demonstrate the safety and effectiveness of our tests for each

indication for which we seek approval, and we cannot assure you that these designations will lead to approval, or accelerated review or approval, of our regulatory submissions for Signatera.

Moreover, our clinical trials to support PMA approval must be conducted under an FDA-approved IDE. FDA has the authority to deny IDE submissions, or to suspend or revoke IDEs once granted, under certain conditions, including noncompliance with FDA requirements or undue risks to subjects. If we are unable to maintain our current IDEs or to obtain IDEs that we may seek in the future, our continued ability to conduct clinical trials could be adversely affected, which could delay or prevent FDA approval. Furthermore, we cannot assure you that these studies, or studies of other tests that we may conduct in the future, will be successful or that they will be sufficient to support FDA approval If approval of any future PMAs for Signatera or any tests we develop in the future is delayed or if we are unable to obtain approval of any such PMAs, our business could be adversely affected.

Failure to obtain necessary regulatory approvals may adversely affect our ability to expand our operations internationally.

An important part of our business strategy is to expand and offer our tests internationally. As we do so, we will become increasingly subject to or impacted by the regulatory requirements of foreign jurisdictions, which are varied and complex. Our tests, and certain components of our tests, may be subject to the regulatory approval requirements in each foreign country in which they are sold by us or a laboratory partner, or by our licensees under our cloud-based distribution model, and our future performance would depend on us or our partners or licensees obtaining any necessary regulatory approvals in a timely manner. For example, while we have entered into a license agreement with BGI Genomics to commercialize our Signatera test in China using BGI Genomics's sequencing instruments and platform, such commercialization and development activities are subject to obtaining and maintaining necessary regulatory approvals in the relevant jurisdictions. In addition, we have obtained a CE Mark from the European Commission for our Constellation software and the key reagents for our licensees to run their NIPT based on our technology, as well as a CE Mark for our Panorama test as a whole. Therefore, we offer our Panorama test as an IVD both directly and through our Constellation model in these jurisdictions. We are occasionally required to address inquiries from regulatory authorities in various countries, such as those in the European Union, regarding the regulatory status of our Panorama or Constellation offerings. If we do not continue to satisfactorily address any such questions in the future, we may be required to cease offering our products, either directly or through our partners or licensees, in the relevant country. This may in turn result in similar concerns, and subsequent cessation of our sources of revenue, in other countries.

In addition, as further described in the risk factor entitled "*Risks Related to Our Business and Industry—We rely on a limited number of suppliers or, in some cases, single suppliers, for some of our laboratory instruments and materials and may not be able to find replacements or immediately transition to alternative suppliers*," blood collection tubes sourced solely from Streck are required to run our tests. These blood collection tubes are CE Marked by the European Commission; however, if such blood collection tubes are not registered in jurisdictions that do not accept a CE Mark, we may be unable to expand our business in such jurisdictions.

Regulatory approval can be a lengthy, expensive and uncertain process. In addition, regulatory processes are subject to change, and new or changed regulations can result in unanticipated delays and cost increases. For example, the European Commission adopted revised in-vitro diagnostic regulations, or IVDR, which became effective in 2022. Among others, the revised regulations introduced risk-based classification for IVDs and require notified body involvement for various classes of devices, including reproductive health tests such as Panorama, which are classified as a Class C product. As such, we are required to submit clinical evidence and post-market performance data to regulators. We or our partners or licensees may not be able to obtain regulatory approvals on a timely basis, if at all, which may cause us to incur additional costs or prevent us from marketing our tests in the United States or in foreign countries.

Changes in laws and regulations, or in their application, may adversely affect our business, financial condition and results of operations.

The clinical laboratory testing industry is highly regulated, and failure to comply with applicable regulatory, supervisory, accreditation, registration or licensing requirements may adversely affect our business, financial condition and results of operations. In particular, the laws and regulations governing the marketing and research of clinical diagnostic

testing are extremely complex and in many instances there are no clear regulatory or judicial interpretations of these laws and regulations, increasing the risk that we may be found to be in violation of these laws.

Furthermore, the molecular diagnostics industry as a whole is a growing industry and regulatory bodies such as HHS or the FDA may apply heightened scrutiny to our products or to new developments in the field. While we have taken steps to ensure compliance with the current regulatory regime in all material respects, given its nature and our geographical diversity, there could be areas where we are non-compliant. Any change in the federal or state laws or regulations, including as a result of political pressure, relating to our business may require us to implement changes to our business or practices, and we may not be able to do so in a timely or cost-effective manner. Should we be found to be non-compliant with current or future regulatory requirements, we may be subject to sanctions which could include substantial financial penalties and criminal proceedings, which could result in changes to our operations, adverse publicity and other consequences, which may adversely affect our business, financial condition and results of operations by increasing our cost of compliance or limiting our ability to develop, market and commercialize our tests.

While we have a compliance plan and policies to address compliance with federal and state laws and regulations, including applicable fraud and abuse laws and regulations such as those described in this risk factor, the evolving commercial compliance environment and the need to build and maintain robust and scalable systems to comply with laws and regulations in multiple jurisdictions with different compliance and reporting requirements increases the possibility that we could inadvertently violate one or more of these requirements.

If we fail to comply with federal, state and foreign laboratory licensing requirements, we could lose the ability to perform our tests or experience disruptions to our business.

We are subject to CLIA, a federal law that, in partnership with the states, regulates clinical laboratories that perform testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention or treatment of disease or impairment of, or assessment of the health of, human beings. CLIA regulations require clinical laboratories to obtain a certificate and mandate specific standards in areas including personnel qualifications, administration, participation in proficiency testing, patient test management and quality assurance. CLIA certification is also required in order for us to be eligible to bill federal health care programs, as well as many commercial third-party payers, for our tests. Our laboratories located in Austin, Texas; San Carlos, California; and Boulder, Colorado are CLIA certified and accredited by the College of American Pathologists, or CAP, a third-party accreditation organization with deeming, or delegated, authority from CMS to determine compliance. To renew these certifications, we are subject to a formal external survey and inspection of each site at least every two years. Moreover, CLIA and/or state inspectors may conduct random inspections of our clinical laboratory or conduct an inspection as a result of a complaint or reported incident, as has occurred. Any failure to address identified deficiencies, or to otherwise comply with CLIA, CAP or state requirements, can result in enforcement actions, including the revocation, suspension, or limitation of our CLIA and/or CAP certificate of accreditation or state laboratory permit, as well as a directed plan of correction, on-site monitoring, civil monetary penalties, civil actions for injunctive relief, criminal penalties, suspension or exclusion from the Medicare and Medicaid programs, and significant adverse publicity. Bringing our laboratory back into compliance with CLIA requirements could cause us to incur significant expenses and potentially lose revenues in order to address deficiencies and achieve compliance.

Some U.S. states require that we hold licenses or permits to test samples from patients in those states, even if our laboratory facilities are not located in those states, and as a result we are also required to maintain standards related to those states' licensure requirements to conduct testing in our laboratories. California requires laboratories operating in or testing specimens from individuals located in California to hold state licensure in addition to CLIA certification. California laboratory registration is required for our San Carlos, California as well as for our Austin, Texas laboratory, because our Texas laboratory receives specimens originating from California. The State of Texas imposes CLIA requirements on laboratories operating within Texas but does not impose additional state licensure or registration requirements. Additionally, all personnel involved in testing in our California laboratory must maintain a California state license or be supervised by licensed personnel. We maintain a license in good standing with the California Department of Public Health, or CDPH, for both our California and Texas laboratories. In addition, the New York State Department of Health, or NYSDOH, requires out-of-state laboratories that test specimens originating from New York to hold an NYSDOH permit and to comply with NYSDOH laboratory standards, including prior NYSDOH approval of LDTs. Both our Austin, Texas and San Carlos, California laboratories have received approval from the NYSDOH to offer certain of our tests to residents of New York, and we process samples originating from New York at each of these laboratories in accordance with the NYSDOH approvals. Our laboratory director must also maintain a license to perform testing issued by the CDPH as well as a Certificate of Qualification issued by NYSDOH.

As under CLIA, we are subject to routine on-site inspections or inspections in response to a complaint under both California and New York state laboratory laws and regulations. If we are found to be out of compliance with either California or New York requirements, CDPH or NYSDOH may suspend, restrict or revoke our license or laboratory permit, respectively (and, with respect to California, may exclude persons or entities from owning, operating or directing a laboratory for two years following such license revocation), assess civil monetary penalties, or impose specific corrective action plans, among other sanctions. We cannot assure you that the regulators in any state from which we have obtained a required license or permit will find us to be in compliance with the applicable laws of their respective state at all times, which may result in suspension, limitation, revocation or annulment of our laboratory's license for that state or negative impact to our CLIA certificate, censure, or civil monetary penalties, and would result in our inability to test samples from patients in that state. Any such consequences could materially and adversely affect our business by prohibiting or limiting our ability to offer testing.

Changes in government spending or healthcare policy could increase our costs and negatively impact coverage and reimbursement for our tests by governmental and commercial third-party payers.

The U.S. government has shown significant interest in pursuing healthcare reform and reducing healthcare costs. Government healthcare policy has been and will likely continue to be a topic of extensive legislative and executive activity in the U.S. federal government and many U.S. state governments. As a result, our business could be affected by potentially significant and unanticipated changes in government healthcare policy, such as changes in reimbursement levels by government third-party payers, or in government-sponsored programs in which we may participate. Any such changes could substantially impact our revenues, increase costs and divert management attention from our business strategy. We cannot predict the impact, if any, of governmental healthcare policy changes on our business, financial condition and results of operations.

In the U.S., the Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act of 2010, or collectively, the PPACA expanded, among other things, the healthcare fraud and abuse laws such as the False Claims Act and the Anti-Kickback Statute, including but not limited to required disclosures of financial arrangements with physician customers, required reporting of discovered overpayments, lower thresholds for violations, new government investigative powers, and enhanced penalties for such violations. The PPACA also created a system of health insurance "exchanges" designed to make health insurance available to individuals and certain groups through state- or federally-administered marketplaces in addition to existing channels for obtaining health insurance coverage. If Panorama or any of our other tests are not covered by plans offered in the health insurance exchanges, our business, financial condition and results of operations could be adversely affected. Furthermore, various proposed legislative initiatives with respect to the PPACA in the past, including possible repeal of the PPACA, have resulted in considerable uncertainty and concern regarding, for example, a patient's election to undergo genetic screening and whether doing so may impact health insurance eligibility. Because it is unclear whether or how the PPACA may continue to evolve, be modified, or otherwise change, and whether and to what extent NIPT, cancer screening or other genetic screening may be affected, we are uncertain how our business may be impacted.

In addition to the PPACA, various healthcare reform proposals have also emerged from federal and state governments. Under PAMA, services payable by Medicare under the CLFS are adjusted based on negotiated payment rates paid by private payers for the same test. The implementation of the PAMA rates negatively impacted overall pricing and reimbursement for many clinical laboratory testing services. The PAMA rate reductions did not have a material impact on our business when they were implemented because our revenues from Medicare were very low at the time. The PAMA reductions and reporting requirements were suspended in 2021 and have continued to be delayed, most recently until 2026. Due to our increased billing for our Signatera and Prospera testing, and in particular the significant and growing percentage of our revenues attributable to Signatera, any decrease in the reimbursement we receive under the CLFS due to PAMA may negatively impact our revenue when the PAMA rates are implemented. In addition, federal budgetary limitations and changes in healthcare policy, such as the creation of broad limits for our tests and requirements that beneficiaries of federal health care programs pay for, or pay for higher portions of, clinical laboratory tests or services received, could substantially diminish the utilization of our tests, increase costs and adversely affect our ability to generate revenues and achieve profitability.

Statutory, regulatory, and policy changes, or government budget and funding levels, may also adversely impact the ability of the FDA, the NIH and other regulatory authorities to perform their regulatory functions. Additionally, over the last several years, the U.S. government has shut down multiple times and certain regulatory agencies have had to furlough critical government employees and stop critical activities. Inadequate funding for such organizations and/or potentially shifting priorities, including under the new administration, could prevent or delay regulatory review and approval processes, adversely affect their ability to hire and retain key personnel, or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, any of which could negatively impact our business, including our ongoing research, development and commercialization initiatives.

We cannot predict whether future healthcare initiatives will be implemented at the federal or state level or how any such future legislation, regulation or initiative may affect us. Current or potential future federal legislation and the expansion of government's role in the U.S. healthcare industry, changes to the reimbursement amounts paid by third-party payers for our current and future tests, or limited or inadequate funding for regulatory authorities, may adversely affect our test volumes and adversely affect our business, financial condition, results of operations, and cash flows.

If we or our laboratory distribution partners, consultants or commercial partners act in a manner that violates healthcare fraud and abuse laws or otherwise engage in misconduct, we may be subject to civil or criminal penalties.

We are subject to healthcare fraud and abuse regulation and enforcement by both the U.S. federal government and the states in which we conduct our business, including:

- HIPAA, which created federal civil and criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters and also imposes significant obligations with respect to maintenance of the privacy and security, and transmission, of individually identifiable health information;

- federal and state laws and regulations governing consumer protections, data privacy, informed consent for genetic testing, and the use of genetic material;

- federal and state laws and regulations governing the submission of claims, as well as billing and collection practices, for healthcare services;

- the federal Anti-Kickback Statute, which prohibits, among other things, the knowing and willful solicitation, receipt, offer or payment of remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal health care programs, such as Medicare;

- the federal False Claims Act which prohibits, among other things, the presentation of false or fraudulent claims for payment from Medicare, Medicaid, or other government-funded third-party payers;

- federal laws and regulations governing the Medicare program, providers of services covered by the Medicare program, and the submission of claims to the Medicare program, as well as the manuals and guidance issued by CMS and the local medical policies promulgated by the Medicare Administrative Contractors with respect to the implementation and interpretation of such laws and regulations;

- the federal Stark law, also known as the physician self-referral law, which, subject to certain exceptions, prohibits a physician from making a referral for certain designated health services covered by the Medicare program (and according to case law in some jurisdictions, the Medicaid program as well), including laboratory and pathology services, if the physician or an immediate family member has a financial relationship with the entity providing the designated health services;

- the federal Civil Monetary Penalties Law, which, subject to certain exceptions, prohibits, among other things, the offer or transfer of remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner or supplier of services reimbursable by Medicare or a state healthcare program;

- EKRA, which applies to items or services reimbursed by any health care benefits program, including commercial insurers, that, among other things, prohibits the knowing or willful payment or offer, or the solicitation or receipt, of any remuneration, whether directly or indirectly, overtly or covertly, in cash or in kind, in exchange for the referral or inducement of laboratory testing;

- the prohibition on reassignment by the Medicare or Medicaid program beneficiary of claims to any party; and

- state law equivalents to the above laws, which may apply to items or services reimbursed by any third-party payer, including commercial insurers, and state data privacy and security laws which may be more stringent than HIPAA.

Furthermore, our industry has experienced increased enforcement of the federal False Claims Act and, in particular, actions brought pursuant to the False Claims Act's "whistleblower" or "qui tam" provisions, which are described in further detail in the section of this Annual Report on Form 10-K entitled "*Business—Government Regulations—Healthcare Fraud and Abuse Laws*". When an entity is determined to have violated the False Claims Act, it is subject to mandatory damages of three times the actual damages sustained by the government, plus mandatory civil penalties – up to approximately $28,619 in 2025 – for each false claim or statement. In addition, various states have enacted false claim laws analogous to the federal False Claims Act, and in some cases go even further because many of these state laws apply where a claim is submitted to any third-party payer and not merely a governmental program. For example, in 2018 we reached a settlement with certain government payers regarding past reimbursement submissions. Although the settlement involved no admission of fault by us and no corporate integrity agreement, we cannot guarantee that we will not be subject to similar claims in the future.

Many of these laws and regulations have not been fully interpreted by regulatory authorities or the courts, and their provisions are open to a variety of interpretations. In addition, there has been a recent trend of increased U.S. federal and state regulation, scrutiny and enforcement relating to payments made to referral sources, which are governed by these laws and regulations.

We have adopted policies and procedures designed to comply with these laws, and in the ordinary course of our business, we conduct internal reviews of our compliance with these laws. However, the rapid growth and expansion of our business both within and outside of the United States may increase the potential for violating these laws or our internal policies and procedures, and the uncertainty around the interpretation of these laws and regulations increases the risk that we may be found in violation of these or other laws and regulations, or of allegations of such violations, including pursuant to private qui tam actions brought by individual whistleblowers in the name of the government as described above. If our operations, including the conduct of our employees, distributors, consultants and commercial partners, are found to be in violation of any laws or regulations that apply to us, we may be subject to penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement of profits, exclusion from participation in federal health care programs, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of pre-marketing product approvals, contractual damages, reputational harm, diminished profits and future earnings and the curtailment or restructuring of our operations, any of which could materially and adversely affect our business, financial condition and results of operations.

Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to our reputation and have a material adverse effect on our business.

We are a covered entity and a business associate of other covered entities under the federal HIPAA privacy and security regulations, which are described in further detail in the section of this Annual Report on Form 10-K entitled "*Business—Government Regulations—HIPAA and Other Privacy Laws*". As a result, we must comply with certain requirements and obligations regarding PHI, including patient authorization of the use and disclosure of, administrative, technical and physical safeguards for, and analysis of security incidents and breach notification requirements with respect to, PHI. HIPAA provides for significant fines and other penalties for wrongful use or disclosure of protected health information in violation of privacy and security regulations, including potential civil and criminal fines and penalties.

The HIPAA privacy and security regulations establish minimum requirements, and do not supersede state laws that are more stringent. A number of states include medical information in the definition of personal information and have implemented requirements or standards more stringent than HIPAA. Therefore, while we have implemented policies and procedures related to compliance with the HIPAA regulations, we are also required to comply with various state privacy and security laws and regulations, and could incur penalties, compliance costs as a result of non-compliance, or damages under state laws pursuant to an action brought by a private party for the wrongful use or disclosure of confidential health information or other private personal information. In addition, other federal and state laws that protect the privacy and security of patient information may be subject to enforcement and interpretation by various governmental authorities and courts, resulting in complex compliance issues.

The GDPR data privacy regulations govern data protection in the European Union, and are more stringent, provide for higher potential liabilities, and apply to a broader range of personal data than those in the United States. The GDPR applies to us as a U.S.-based company that does business or offers services in, or that processes or holds personal data of data subjects in, the European Union. While our current processes and practices comply with the GDPR, we will need to continue to monitor our practices to ensure ongoing compliance with GDPR. Furthermore, the GDPR enables EU member states to enact jurisdiction-specific requirements in key areas, which could require us to implement multiple policies unique to the jurisdictions in which we operate, which could make it more difficult and resource-intensive to continue to operate in the European Union.

As discussed in more detail in "Business—Government Regulations—HIPAA and Other Privacy Laws," state consumer protection and data privacy laws continue to evolve, with several states' privacy laws coming into effect in recent years, with more expected in the future. These state privacy laws dictate how we can collect, use, store, sell, share, analyze or process personal identifying information and/or consumer or health data received or generated by our business operations.

As we continue to expand and grow our business, our overall compliance with applicable laws and regulations may result in increased costs and attention of management, and failure to comply may result in significant fines, penalties and damage to our reputation. Additionally, the interpretation and application of health-related, privacy and data protection laws are often uncertain, contradictory and in flux, and it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices. As a result, we could be subject to government-imposed fines or orders requiring that we change our practices, which could cause us to incur substantial costs and may adversely affect our business and our reputation.

Changes in the way the FDA regulates the reagents, other consumables, and testing equipment we use when developing, validating, and performing our tests could result in delay or additional expense in bringing our tests to market or performing such tests for our customers.

Many of the sequencers, reagents, kits and other consumable products used to perform our testing, as well as the instruments and other capital equipment that enable the testing, are labeled as for research use only, or RUO. In addition, we offer a version of our Signatera test as an RUO offering. Products that are intended for research use only and are labeled as RUO are exempt from compliance with FDA requirements, including the approval, clearance or de novo classification and other product quality requirements for medical devices. A product labeled RUO but which is actually intended by the manufacturer for clinical diagnostic use may be viewed by the FDA as adulterated and misbranded under the FDC Act and subject to FDA enforcement action. The FDA has issued guidance stating that when determining the intended use of a product labeled RUO, it will consider the totality of the circumstances surrounding distribution of the product, including how the product is marketed and to whom. In addition, many of the reagents used to perform our testing are offered for sale as analyte specific reagents, or ASRs. ASRs are medical devices and must comply with QMSR provisions and other device requirements, but most are exempt from premarket review. The FDA could disagree with a manufacturer's assessment that the manufacturer's products are ASRs, or could conclude that products labeled as RUO are actually intended by the manufacturer for clinical diagnostic use, and could take enforcement action against the manufacturer, such as us with respect to Signatera (RUO), including requiring the manufacturer to cease offering the product while it seeks clearance, approval or de novo classification. Manufacturers of RUO products that we employ in our other tests may cease selling their respective products, and we may be unable to obtain an acceptable substitute on commercially reasonable terms or at all, which could significantly and adversely affect our ability to provide timely testing results to our customers or could significantly increase our costs of conducting business.

The sequencers and reagents supplied to us by Illumina are labeled as RUO in the United States. We are using these sequencers and reagents for clinical diagnostic use. If the FDA were to require clearance, approval or de novo classification for the sale of Illumina's sequencers and if Illumina does not obtain such clearance, approval or authorization, we would have to find an alternative sequencing platform for Panorama. We currently have not validated an alternative sequencing platform on which Panorama could be run in a commercially viable manner. If we were not successful in selecting, acquiring on commercially reasonable terms and implementing an alternative platform on a timely basis, our business, financial condition and results of operations would be adversely affected.

Our use of hazardous materials in the development of our tests exposes us to risks related to accidental contamination or injury and requires us to comply with regulations governing hazardous waste materials.

Our research and development activities involve the controlled use of hazardous materials and chemicals. We cannot eliminate the risk of accidental contamination or injury to employees or third parties from the use, storage, handling or disposal of these materials. In the event of contamination or injury, we could be held liable for any resulting damages, and any liability could exceed our resources or any applicable insurance coverage we may have. In addition, we are subject on an ongoing basis to federal, state and local regulations governing the use, storage, handling and disposal of these materials and specified hazardous waste materials. An increase in the costs of compliance with such laws and regulations could harm our business and results of operations.

If the validity of an informed consent from a patient intake for Panorama or our other tests is challenged, we could be precluded from billing for such testing, forced to stop performing such tests, or required to repay amounts previously received, which would adversely affect our business and financial results.

All clinical data and blood samples that we receive for genetic testing are required to have been collected from individuals who have provided appropriate informed consent for us to perform our testing, both commercially and in clinical trials. We seek to ensure that the individuals from whom the data and samples are collected do not retain or have conferred any proprietary or commercial rights to the data or any discoveries derived from them. Our partners operate in a number of different countries in addition to the United States, and, to a large extent, we rely upon them to comply with the individual's informed consent and with U.S. and international laws and regulations. The collection of data and samples in many different U.S. states and foreign countries results in complex legal questions regarding the adequacy of informed consent and the status of genetic material under different legal systems. The individual's informed consent obtained could be challenged in the future in any particular jurisdiction, and those informed consents could be deemed invalid, unlawful or otherwise inadequate for our purposes. Any findings against us, or our laboratory distribution partners, could deny us access to, or force us to stop testing samples in, a particular country or could call into question the results of our clinical trials. We could also be precluded from billing third-party payers for tests for which informed consents are challenged, or could be requested to refund amounts previously paid by third-party payers for such tests. We could become involved in legal challenges, which could require significant management and financial resources and adversely affect our revenues and results of operations.

Risks Related to Our Intellectual Property

Litigation or other proceedings resulting from either third-party claims of intellectual property infringement, or asserting infringement by third parties of our technology, is costly, time-consuming, and could limit our ability to commercialize our products or services.

Our success depends in part on our non-infringement of the patents or intellectual property rights of third parties, and our ability to successfully prevent third parties from infringing our intellectual property. We operate in a crowded technology area in which there has been substantial litigation and other proceedings regarding patent and other intellectual property rights in the genetic diagnostics industry. Third parties, including our competitors, have asserted and may in the future assert that we are infringing their intellectual property rights; in particular, we are or have recently been engaged in patent infringement lawsuits and other intellectual property disputes against various competitors in each of the industries in which we operate, as described in "Note 10—Commitments and Contingencies—Legal Proceedings" in the Notes to Consolidated Financial Statements. We may become subject to and/or initiate future intellectual property litigation as our product portfolio, and the level of competition in our industry segments, grow.

Should we be unsuccessful defending against patent infringement claims, we may be required to pay substantial royalties, money damages, change our marketing practices, or be enjoined from offering certain products or services. For example, in January 2024, a jury verdict of $57 million was awarded against us in a patent infringement lawsuit filed by Ravgen, Inc. In addition, we could experience delays in product introductions or sales growth while we attempt to develop non-infringing alternatives. Any of these or other adverse outcomes could prevent us from offering our tests or otherwise have a material adverse effect on our business, financial condition and our results of operations.

We cannot predict whether, or offer any assurance that, the patent infringement claims we have initiated or may initiate in the future will be successful. We are and may become subject to counterclaims by patent infringement defendants. Our patents may be declared invalid or unenforceable, or narrowed in scope. Even if we prevail in an infringement action, we cannot assure you that we would be adequately compensated for the harm to our business. If we are unable to enjoin third-party infringement, our revenues may be adversely impacted and we may lose market share; and such third-party product may continue to exist in the market, but fail to meet our regulatory or safety standards, thereby causing irreparable harm to our reputation as a provider of quality products, which in turn could result in loss of market share and have a material adverse effect on our business, financial condition and our results of operations.

In addition, our agreements with some of our customers, suppliers, and other entities with whom we do business require us to defend or indemnify these parties to the extent they become involved in patent infringement claims, including the types of claims described in this risk factor. We have agreed, and may in the future agree, to defend or indemnify third parties if we determine it to be in the best interests of our business relationships. If we are required or agree to defend or indemnify third parties in connection with any infringement claims, we could incur significant costs and expenses that could adversely affect our business, financial condition and results of operations.

Any inability to effectively protect our proprietary technologies could harm our competitive position.

Our success and ability to compete depend to a large extent on our ability to develop proprietary products and technologies and to maintain adequate protection of our intellectual property in the United States and other countries; this becomes increasingly important as we expand our operations and enter into strategic collaborations with partners to develop and commercialize products. The laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the United States, and we may encounter difficulties in establishing and enforcing our proprietary rights outside of the United States. In addition, the proprietary positions of companies developing and commercializing tools for molecular diagnostics, including ours, generally are uncertain and involve complex legal and factual questions. This uncertainty may materially affect our ability to defend or obtain patents or to address the patents and patent applications owned or controlled by our collaborators and licensors.

We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies are protected by valid and enforceable patents or are effectively maintained as trade secrets. We have worked to procure patents protecting our technologies, but our procurement efforts may not always be successful, and any patents we successfully procure may be challenged in ways that lead to post-procurement scope reduction or invalidity. For example, certain of our intellectual property is, or recently has been, the subject of challenges instituted by our competitors, as described in "Note 10—Commitments and Contingencies—Legal Proceedings" in the Notes to Consolidated Financial Statements. These challenges may impede our ability to protect our proprietary rights from unauthorized use. In addition, any finding that others have claims of inventorship or ownership rights to our patents and applications could require us to obtain certain rights to practice related technologies, which may not be available on favorable terms.

Certain of our intellectual property was partly supported by a U.S. government grant awarded by the National Institutes of Health, and the government accordingly has certain rights in this intellectual property, including a non-exclusive, non-transferable, irrevocable worldwide license to use applicable inventions for any governmental purpose. Such rights also include "march-in" rights, which refer to the right of the U.S. government to require us to grant a license to the technology to a responsible applicant if we fail to achieve practical application of the technology or if action is necessary to alleviate health or safety needs, to meet requirements of federal regulations or to give preference to U.S. industry.

Any of these factors could adversely affect our ability to obtain commercially relevant or competitively advantageous patent protection for our products.

If we are not able to adequately protect our trade secrets and other proprietary information, the value of our technology and products could be significantly diminished.

We rely on trade secret and proprietary know-how protection for our confidential and proprietary information and have taken security measures to protect this information. These measures, however, may not provide adequate protection. For example, we have a policy of requiring our consultants, advisors and collaborators, including, for example, our strategic collaborators with whom we seek to develop and commercialize products, to enter into confidentiality agreements and our employees to enter into invention, non-disclosure and non-compete agreements. However, breaches of our physical or electronic security systems, or breaches caused by our employees failing to abide by their confidentiality obligations during or upon termination of their employment with us, could compromise these protection efforts. Any action we take to enforce our rights may be time-consuming, expensive, and possibly unsuccessful. Even if successful, the resulting remedy may not adequately compensate us for the harm caused by the breach. These risks are heightened in countries where laws or law enforcement practices may not protect proprietary rights as fully as in the United States or Europe. Any unauthorized use or disclosure of, or access to, our trade secrets, know-how or other proprietary information, whether accidentally or through willful misconduct, could have a material adverse effect on our programs and our strategy, and on our ability to compete effectively.

If our trademarks and trade names are not adequately protected, we may not be able to establish or maintain name recognition in our markets of interest, and our business may be adversely affected.

Failure to maintain our trademark registrations, or to obtain new trademark registrations in the future, could limit our ability to protect our trademarks and impede our marketing efforts in the countries in which we operate. We may not be able to protect our rights to trademarks and trade names that we may need to build name recognition with potential partners or customers in our markets of interest. As a means to enforce our trademark rights and prevent infringement, we may be required to file trademark claims against third parties or initiate trademark opposition proceedings. This can be expensive and time-consuming, and possibly unsuccessful. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to infringe on other marks.

Our pending trademark applications in the United States and in other foreign jurisdictions where we may file may not be successful. Even if these applications result in registered trademarks, third parties may challenge these trademarks in the future. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

We employ individuals who were previously employed at other biotechnology or diagnostic companies, including our competitors in the various markets in which we operate. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or willfully used or disclosed confidential information of our employees' former employers or other third parties. We may also be subject to claims that our employees' former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims, and if we are unsuccessful, we could be required to pay substantial damages and could lose rights to important intellectual property. Even if we are successful, litigation could result in substantial costs to us and could divert the time and attention of our management and other employees.

Risks Related to Ownership of Our Common Stock

The market price of our common stock has been and may be volatile, which could subject us to litigation.

The trading prices of the securities of life sciences companies, including ours, have been and may continue to be highly volatile; and financial markets in general, including our stock, experienced particularly high volatility as a result of the COVID-19 pandemic and continued difficult macroeconomic conditions. Accordingly, the market price of our common stock is likely to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control, such as those in this "Risk Factors" section and others including:

- actual or anticipated variations in our and our competitors' results of operations, as well as how those results compare to analyst and investor expectations;
- announcements by us or our competitors of new products, significant acquisitions, other strategic transactions, including strategic and commercial partnerships and relationships, joint ventures, divestitures, collaborations or capital commitments;
- changes in reimbursement practices by current or potential payers;
- failure of analysts to initiate or maintain coverage of our company, issuance of new securities analysts' reports or changed recommendations for our stock;
- negative publicity, including misinformation, about our company, our tests, or the commercial markets in which we operate;
- forward-looking statements related to our financial guidance or projections, our failure to meet or exceed our financial guidance or projections or changes in our financial guidance or projections;
- actual or anticipated changes in regulatory oversight of our products;
- development of disputes concerning our intellectual property or other proprietary rights;
- commencement of, or our involvement in, litigation and the outcomes of our litigation matters;
- announcement or expectation of additional debt or equity financing efforts;
- any major change in our management;
- general economic conditions and slow or negative growth of our markets, including as a result of changes in the rate of inflation (including the cost of raw materials, commodities, and supplies) and interest rates; and
- changes in business, economic, and political conditions, including war, political instability and related military action.

In addition, if the market for life sciences stocks or the stock market in general experiences uneven investor confidence, as has been the case in the past, the market price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The market price of our common stock might also decline in reaction to events that affect other companies within, or outside, our industry even if these events do not directly affect us. Some companies, including us, that have experienced volatility in the trading price of their stock have been the subject of securities class action litigation, and we may in the future become subject to such litigation. For example, we have in the past been subject to a purported securities class action lawsuit filed against us, our directors and certain of our officers and stockholders related to our initial public offering. Under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of current and former directors and officers, and on behalf of our former underwriters, in connection with any future lawsuits. Any lawsuit to which we are a party, with or without merit, may result in an unfavorable judgment. We also may decide to settle lawsuits on unfavorable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation or adverse changes to our offerings or business practices. Defending against litigation is costly and time-consuming, and could divert our management's attention and resources. Furthermore, during the course of litigation, there could be negative public announcements of the results of hearings, motions or other interim proceedings or developments, which could have a material adverse effect on the market price of our common stock.

If we are unable to implement and maintain effective internal controls over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected.

We are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on internal controls over financial reporting. The Sarbanes-Oxley Act also requires that our management report on internal controls over financial reporting be attested to by our independent registered public accounting firm.

Although we determined that our internal controls over financial reporting were effective as of December 31, 2025, we must continue to monitor and assess our internal controls over financial reporting. If we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. If we identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities.

We do not intend to pay dividends on our capital stock so any returns will be limited to changes in the value of our common stock.

We have never declared or paid any cash dividends on our capital stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our ability to pay cash dividends on our capital stock may be prohibited or limited by the terms of any current or future debt financing arrangement. Any return to stockholders will therefore be limited to the increase, if any, in the price of our common stock.

Future sales and issuances of our common stock or rights to purchase common stock, including pursuant to our equity incentive plans or in connection with acquisitions or strategic or commercial transactions, could result in additional dilution of the percentage ownership of our stockholders and could cause the price of our common stock to decline.

From time to time, we may issue additional securities or sell common stock, convertible securities, such as the Convertible Notes, or other equity securities in one or more transactions at prices and in a manner we determine. We also expect to continue to issue common stock to employees and directors pursuant to our equity incentive plans. If we sell or issue common stock, convertible securities, or other equity securities, or common stock is issued pursuant to equity incentive plans, investors in our common stock may be materially diluted. As we have done in the past, we may decide to issue common stock or other equity securities in connection with an acquisition or a strategic or commercial transaction, which could cause dilution to our existing stockholders. New investors in such transactions could gain rights, preferences and privileges senior to those of holders of our common stock.

Sales of a substantial number of shares of our common stock in the public markets could cause the price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market or the perception that these sales might occur could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our common stock.

As we have done in the past, we may issue our shares of common stock or securities convertible into our common stock, such as our Convertible Notes, from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the price of our common stock to decline.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If industry analysts cease coverage of us or fail to publish reports on us regularly, the trading price for our common stock could be adversely affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline.

Provisions in our amended and restated certificate of incorporation, amended and restated bylaws, and Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the market price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could depress the market price of our common stock by acting to discourage, delay or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions, among other things:

- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings;

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit the board of directors to establish the number of directors;
- provide that directors may only be removed "for cause" and only with the approval of 75% of our stockholders;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws; and
- provide that the board of directors is expressly authorized to make, alter or repeal our amended and restated bylaws.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law or any action asserting a claim against us that is governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition and results of operations.

Changes in accounting standards and their interpretations could adversely affect our operating results.

U.S. GAAP is subject to interpretation by the Financial Accounting Standards Board, or FASB, the Public Company Accounting Oversight Board, or PCAOB, the SEC, and various other bodies that promulgate and interpret appropriate accounting principles. These principles and related implementation guidelines and interpretations can be highly complex and involve subjective judgments. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before or after the announcement of a change in such principles. Additionally, the adoption of these standards may potentially require enhancements or changes in our systems and will require significant time and cost on behalf of our financial management. A discussion of these standards and other pending changes in GAAP, are further discussed in "Note 2—Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

In the ordinary course of our business, we collect and store sensitive data, including legally protected personal information, such as test results and other patient health information, credit card and other financial information, insurance information, and personally identifiable information, as well as sensitive intellectual property and other proprietary business information, including that of our customers, payers and collaboration partners. We are highly dependent on information technology networks and systems – our own as well as those of third-party vendors and their subcontractors – to securely process, transmit, and store this sensitive data and business critical information.

Although we take measures to protect sensitive information from unauthorized access, use or disclosure, our information technology and infrastructure, and that of our technology and other third-party service providers and their subcontractors, are nevertheless inherently vulnerable to, and from time to time experience, various cybersecurity threats. We continue to invest in the security and resiliency of our networks and to enhance our internal controls and processes, which are designed to help protect our systems and infrastructure, and the information they contain. For more information regarding the risks we face from cybersecurity threats, please see "Item 1A. Risk Factors" included elsewhere in this Annual Report on Form 10-K.

Risk Management Processes

Our Information Security Execution Team is responsible for the day-to-day execution of our information security strategy and operations, and comprises key stakeholders across the Company's information services & technology, engineering, legal, privacy, compliance, finance, human resources, and product teams. The Information Security Execution Team coordinates cross functionally to identify, assess, and address immediate and emerging risks from cybersecurity threats, including leading the formation and activities of working groups and response teams to address cybersecurity matters that arise from time to time. We maintain a cybersecurity incident response plan that addresses critical aspects of incident management, including detection, impact analysis, containment, mitigation, remediation, recovery, and long-term strategies for remediation and prevention of future incidents. In carrying out our incident response plan, our Information Security Execution Team also assesses incidents, or multiple related incidents, by reference to a set of specified criteria and, if one or more of such criteria are met, reports such incidents to management.

Our cybersecurity program is aligned with industry standards and best practices, such as the National Institute of Standards and Technology, or NIST, Cybersecurity Framework. We use various tools and methodologies to monitor and manage cybersecurity risks. We also monitor and evaluate our cybersecurity posture and performance on an ongoing basis through regular vulnerability scans, penetration tests and threat intelligence feeds. Our Information Security Execution Team conducts annual tabletop exercises to ensure preparedness for information security incidents. In addition, we promote a company culture of awareness and discipline in cybersecurity matters through annual employee training and education, including periodic phishing simulations.

We engage with a range of external experts, including cybersecurity assessors, consultants, and auditors, in evaluating and attesting to our risk management systems, including an annual Systems and Organization Controls 2, or SOC 2, audit with respect to the security, availability, confidentiality, and process integrity trust services criteria, or TSC. Our collaboration with these third-party service providers includes regular audits, threat assessments, and consultation on cybersecurity strategy and enhancements. Recognizing the risks associated with these and other third-party service providers, we also conduct risk assessments on selected systems and third-party service providers on an ongoing basis.

Governance

Board Oversight

Cybersecurity is an important area of focus for our board of directors. Our audit committee is responsible for carrying out, on behalf of our board of directors, oversight of information security, including cybersecurity, risks. Our audit committee is composed of directors with diverse expertise relevant to such committee's responsibilities, and includes two directors who have expertise or certifications in cybersecurity. Our management team provides updates on cybersecurity matters to our audit committee on a quarterly basis, with more frequent or interim communications as warranted.

In addition to the oversight by our audit committee, our board of directors receives an annual report on cybersecurity matters from our Chief Technology Officer, or CTO. Our Chief Compliance & Privacy Officer, or CCPO, and CTO also attend regular meetings of our board of directors, and engage in discussions on an ad hoc basis relating to cybersecurity and information security matters.

Management

We maintain an Information Security Leadership Committee, or ISLC, that is accountable for enterprise-level information security risk strategy, identification, prioritization, and mitigation, including establishing objectives and priorities. The ISLC comprises company executives that, collectively, represent experience and expertise in information technology, enterprise security and risk management, cybersecurity, engineering, technology, privacy, data security, and healthcare compliance. Members of this committee include our CTO, CCPO, Chief Information Officer, Chief Information Security Officer, and Chief Accounting Officer. The ISLC meets on at least a quarterly basis to review matters including updates on existing and emerging cybersecurity risks and threats including prioritization, mitigation, and remediation; the status of projects to strengthen our information security systems; assessments of our information security program and operations; and prioritized information security incidents, if any. The ISLC oversees the Information Security Execution Team.

ITEM 2. PROPERTIES

We lease office facilities under non-cancelable operating lease agreements. We currently occupy approximately 136,000 square feet of laboratory and office space at 201 Industrial Road in San Carlos, California pursuant to a lease that we directly entered into with our landlord in October 2016. This lease covers two office spaces, referred to as the First Space and the Second Space. The First Space covers approximately 88,000 square feet. The Second Space covers approximately 48,000 square feet. The original lease term was approximately 84 months. An amendment was signed in January 2021 which extended the term of the lease for 48 months. The amended term of the lease commenced in October 2023 and will expire in October 2027. In July 2024, we entered into an amendment of the San Carlos lease to extend the term for 60 months to October 2032. The annual rent will be approximately $9.7 million beginning January 2025, escalating annually and may be increased if we elect to utilize additional tenant improvement allowances. In January 2025, we entered into a lease agreement for additional premises of approximately 40,700 rentable square feet in San Carlos, California, through November 2028 with an annual rent expense of approximately $1.5 million.

We lease laboratory and office space in Austin, Texas, comprising approximately 94,000 square feet pursuant to a lease expiring in November 2026. In December 2021, we entered into an amendment of the Austin lease agreement which extended the lease of the current premises through March 2033. The amendment also includes two additional office spaces, referred to as the First Expansion Premises and the Second Expansion Premises. The First Expansion Premises consists of 32,500 rentable square feet and commenced in February 2022. The Second Expansion Premises consists of 65,222 rentable square feet and commenced in September 2022. The terms of the First and Second Expansion Premises expire in March 2033. In March 2025, we entered into a lease agreement for additional premises of approximately 57,100 rentable square feet in Austin, Texas through March 2033 with an annual rent expense of approximately $0.9 million. In August 2025, we entered into a lease agreement for additional premises of approximately 45,800 rentable square feet in Austin, Texas through March 2033 with an annual rent expense of approximately $0.7 million. In December 2025, the Company exercised its expansion right for an additional premises of approximately 28,468 rentable square feet in Austin, Texas through March 2033 with an annual rent expense of approximately $0.4 million.

We entered into a lease agreement in November 2020 to lease 11,395 square feet of space located in South San Francisco, California over a three-year term. The premises is used for general office, laboratory and research use. In December 2022, we exercised the renewal option of the South San Francisco lease agreement. In January 2023, we entered into an amendment to extend the lease term of the South San Francisco premises by three years, through November 2026.

We entered into a lease agreement in September 2023 to lease 16,319 square feet of space located in Pleasanton, California over a 60-month term. The premises will be used for laboratory and research use and commenced in December 2023. The annual lease payment starts at $0.5 million and increases annually. In December 2025, the Company entered in an amendment to extend the existing premises and expand to an additional premises of 15,485 rentable square feet in Pleasanton, California through March 2034. The combined annual lease payment will be approximately $0.9 million.

In December 2025, as part of the business combination, we assumed a lease agreement for approximately 25,718 square feet of space located in Boulder, Colorado. The premises are used for general office, laboratory, and research use. The lease term extends through June 2034, and the annual lease payments commence at approximately $1.5 million and escalate anually.

We have also historically entered into leases of individual workspaces and storage spaces at various locations on both a month-to-month basis without an established lease term, and more recently for certain locations, have committed to terms approximating one to five years. For the facilities without a committed lease term, we have elected to not recognize them as the right-of-use assets on the consolidated balance sheets as they are all considered short-term leases. For individual workspaces where the committed lease term exceeds one year, we have recorded a right-of-use asset.

We may expand our facilities capacity as our employee base and laboratory processing needs grow. We believe that we will be able to obtain additional space on commercially reasonable terms.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings. The results of such legal proceedings and claims cannot be predicted with certainty, and regardless of the outcome, legal proceedings could have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors.

For information regarding certain current legal proceedings, see "Note 10—Commitments and Contingencies—Legal Proceedings" in the Notes to Consolidated Financial Statements, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of Our Common Stock

Our common stock is listed on the Nasdaq Global Select Market under the symbol "NTRA".

Holders

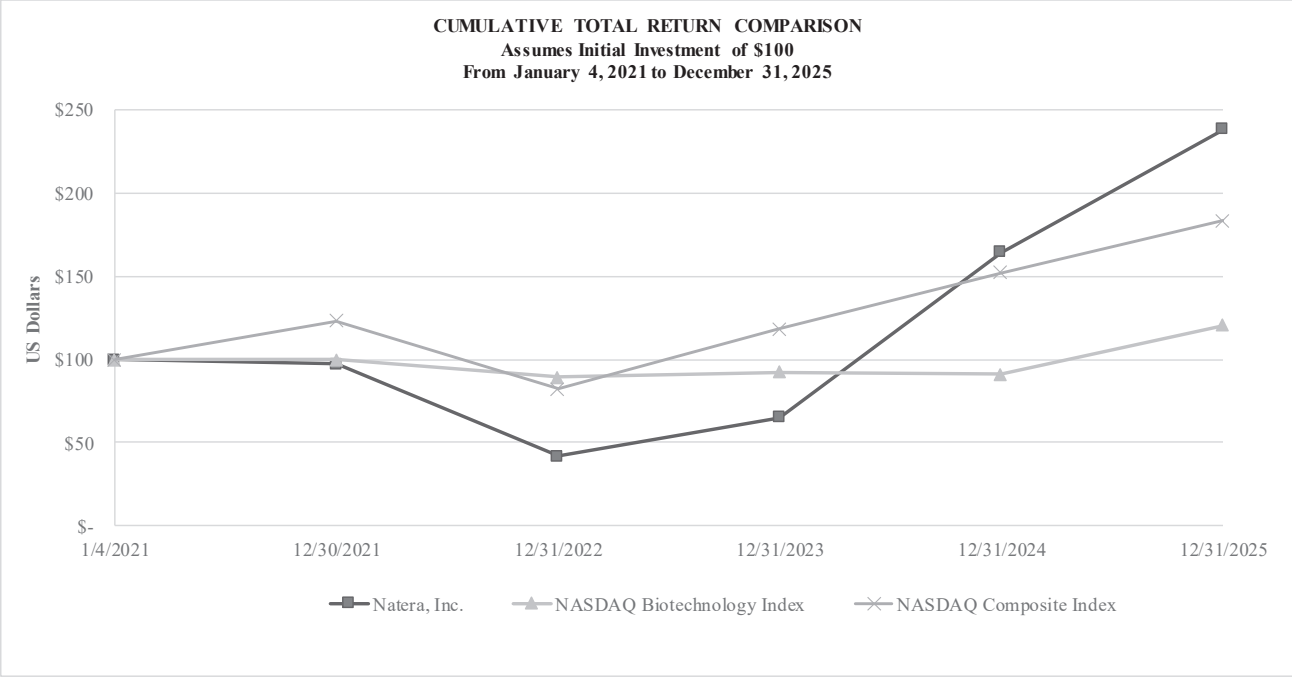
As of January 31, 2026, we had 54 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividends

No cash dividends have ever been paid or declared on our common stock. We currently intend to retain all future earnings, if any, for use in our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors our board of directors may deem relevant.

Performance Graph

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act except to the extent we specifically incorporate it by reference into such filing. The following graph compares the cumulative total stockholder return on our common stock over the five-year period ending on December 31, 2025, with the cumulative total return of (i) the NASDAQ Biotechnology Index and (ii) the NASDAQ Composite Index over the same period. The chart assumes $100 was invested at the close of market on January 4, 2021, and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



Trade Date	Natera, Inc.	Nasdaq Biotechnology	Nasdaq Composite
Base period 1/4/2021	$ 100.00	$ 100.00	$ 100.00
12/31/2021	$ 96.97	$ 99.96	$ 123.20
12/31/2022	$ 41.71	$ 89.05	$ 82.42
12/31/2023	$ 65.04	$ 92.38	$ 118.21
12/31/2024	$ 164.37	$ 91.11	$ 152.07
12/31/2025	$ 237.87	$ 120.63	$ 183.03

Recent Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Parties

None.

ITEM 6. [Reserved.]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes included in Part II, Item 8 of this report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in "Risk Factors" included elsewhere in this report.

Overview

We are a diagnostics company with proprietary molecular and bioinformatics technology that we are applying to change disease management worldwide. Our cell-free DNA, or cfDNA, technology combines our novel molecular assays, which reliably measure many informative regions across the genome, from samples as small as a single cell, with our statistical algorithms that incorporate data available from the broader scientific community to identify genetic variations, covering a wide range of serious conditions with high accuracy and coverage. We aim to make personalized genetic testing and diagnostics part of the standard of care to protect health and inform earlier and provide more targeted interventions that help lead to longer, healthier lives.

We provide a comprehensive suite of products to improve patient care outcomes in three main areas of healthcare – oncology, women's health, and organ health. We generate the majority of our revenues from the sale of Panorama, our non-invasive prenatal test ("NIPT") and Horizon, our genetic carrier screening test. In addition to Panorama, our product offerings in women's health include Fetal Focus, our noninvasive prenatal test for single-gene inherited conditions, Vistara, our single-gene NIPT that screens for conditions that may affect quality of life, and Anora, our test to help determine underlying reasons for occurrence of miscarriage, and Empower, our hereditary cancer screening test which we also offer through our oncology sales channel. In oncology, we offer Signatera, our personalized ctDNA blood test for MRD assessment, early recurrence monitoring, and evaluation of treatment response in patients previously diagnosed with cancer. We also offer Latitude, our blood-based MRD test for colorectal cancer that does not require a tumor tissue sample, as well as Altera, a comprehensive genomic profiling test to support treatment decisions and therapy selection.

We process tests in our laboratories certified under the Clinical Laboratory Improvement Amendments of 1988, or CLIA, primarily in Austin, Texas and San Carlos, California; our laboratory in Boulder, Colorado performs clinical trials testing. A portion of our testing is performed by third-party laboratories. Our customers include independent laboratories, national and regional reference laboratories, medical centers and physician practices for our screening tests, and research laboratories and pharmaceutical companies. We market and sell our tests through our direct sales force and, for our women's health tests, through our laboratory distribution partners. We bill clinics, laboratory distribution partners, patients, pharmaceutical companies and insurance payers for the tests we perform. In cases where we bill laboratory distribution partners, our partners in turn bill clinics, patients and insurers. The majority of our revenue comes from insurers with whom we have in-network contracts. Such insurers reimburse us for our tests pursuant to our in-network contracts with them, based on positive coverage determinations, which means that the insurer has determined that the test in general is medically necessary for this category of patient.

In addition to offering tests to be performed at our laboratories, either directly or through our laboratory distribution partners, we also establish licensing arrangements with laboratories under Constellation, our cloud-based distribution model, whereby our laboratory licensees run the molecular workflows themselves and then access our bioinformatics algorithms through our cloud-based software. This cloud-based distribution model results in lower revenues and gross profit per test than cases in which we process a test ourselves; however, because we do not incur the costs of processing the tests, our costs per test under this model are also lower.

The principal focus of our commercial operations is to offer our tests through both our direct sales force and laboratory distribution partners, and our Constellation licensees under our cloud-based distribution model. The number of tests that we accession is a key indicator that we use to assess our business. A test is accessioned when we receive the test at our laboratory, the relevant information about the test is entered into our computer system, and the test sample is routed into the appropriate workflow. This number is a subset of the number of tests that we process, which includes tests distributed through our Constellation licensees. The number of tests that we process is a key metric as it tracks overall volume growth, particularly as our laboratory partners may transition from sending samples to our laboratory to our cloud-based distribution model, as a result of which our tests accessioned would decrease but our tests processed would remain unchanged.

During the year ended December 31, 2025, we processed approximately 3,525,500 tests, comprised of approximately 3,468,700 tests accessioned in our laboratories. During the year ended December 31, 2024, we processed approximately 3,064,600 tests, comprised of approximately 3,001,900 tests accessioned in our laboratories. During the year ended December 31, 2023, we processed approximately 2,496,100 tests, comprised of approximately 2,426,500 tests accessioned in our laboratories. This increase in volume primarily represents continued commercial growth of Signatera, Panorama and Horizon, both as tests performed in our laboratories as well as through our Constellation software platform.

The percent of our revenues attributable to our U.S. direct sales force were 95%, 94% and 91% for the years ended December 31, 2025, 2024, and 2023, respectively. The percent of our revenues attributable to U.S. laboratory partners for the years ended December 31, 2025, 2024, and 2023, was 3%, 4% and 6%, respectively. Our ability to increase our revenues and gross profit will depend on our ability to further penetrate the U.S. market with our direct sales force. The percent of our revenues attributable to international laboratory partners and other international sales was 2%, 2% and 3% for the years ended December 31, 2025, 2024 and 2023, respectively.

For the year ended December 31, 2025, total revenues were $2,306.1 million, compared to $1,696.9 million and $1,082.6 million in the years ended December 31, 2024 and 2023, respectively. Product revenues generated from our testing accounted for $2,295.8 million or nearly 100% of total revenues for the year ended December 31, 2025, compared to $1,685.1 million or 99% of total revenues for the year ended December 31, 2024 and $1,068.5 million or 99% of total revenues for the year ended December 31, 2023. For the years ended December 31, 2025, 2024, and 2023, there were no customers exceeding 10% of the total revenues on an individual basis. Revenues from customers outside the United States were $41.8 million, representing 2% of total revenues for the year ended December 31, 2025. For the year ended December 31, 2024, revenues from customers outside the United States were $39.2 million, representing approximately 2% of total revenues. For the year ended December 31, 2023, revenues from customers outside the United States were $34.9 million, representing approximately 3% of total revenues. Most of our revenues have been denominated in U.S. dollars, though we generate some revenue in foreign currency, primarily denominated in Euros and Singapore Dollars.

Our net losses for the years ended December 31, 2025, 2024, and 2023, were $208.2 million, $190.4 million, and $434.8 million, respectively. This included non-cash stock compensation expense of $354.4 million, $274.4 million, and $191.8 million for the years ended December 31, 2025, 2024, and 2023, respectively. As of December 31, 2025, we had an accumulated deficit of $2.8 billion.

Components of the Results of Operations

The section of this Management's Discussion and Analysis generally discusses year-to-year comparisons between 2025 and 2024. Discussions of year-to-year comparisons between 2024 and 2023 that are not included in this Annual Report on Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of Part II of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 27, 2025.

Revenues

Product Revenues

We generate revenues from the sale of our tests, primarily from the sale of our Signatera, Panorama and HCS tests. Our two primary distribution channels are our direct sales force and our laboratory partners. In cases where we promote our tests through our direct sales force, we generally bill directly to a patient, clinic or insurance carrier, or a combination of the insurance carrier and patient, for the fees.

Sales of our clinical tests are recorded as product revenues. Revenues recognized from tests processed through our Constellation model, and from our strategic partnership agreements, are reported in licensing and other revenues.

In cases where we sell our tests through our laboratory partners, the majority of our laboratory partners bill the patient, clinic or insurance carrier for the performance of our tests, and we are entitled to either a fixed price per test or a percentage of their collections.

Our ability to increase our revenues will depend on our ability to further penetrate the domestic and international markets and, in particular, generate sales through our direct sales force, develop and commercialize additional tests, obtain reimbursement from additional third-party payers and increase our reimbursement rates for tests performed. For example, our financial performance depends on reimbursement for microdeletions testing. Many third-party payers do not currently reimburse for microdeletions screening in part because there has historically been limited published data on the performance of microdeletions screening tests, with our single nucleotide polymorphism-based Microdeletion and Aneuploidy RegisTry, or SMART study results only being published in early 2022.

Entering into in-network contracts continues to be an important part of our business strategy, as we believe that in-network coverage of our tests by third-party payers is crucial to our growth and long-term success, as in-network pricing is more predictable than out-of-network pricing, enables us to develop stable, long-term relationships with third-party payers, and provides access to a larger population of covered lives. However, the negotiated fees under our contracts with third-party payers are typically lower than the list price of our tests, and in some cases the third-party payers that we contract with have negative coverage determinations for some of our offerings, in particular Panorama for microdeletions screening. Therefore, being in-network with third-party payers has in the past had, and may in the future have, an adverse impact on our revenues and gross margins. We intend to mitigate any impact by driving more business from our most profitable accounts.

Licensing and Other Revenues

Revenues recognized from tests processed through our Constellation model, and from our strategic partnership agreements are reported in licensing and other revenues. We also recognize licensing revenues through the licensing and the provisioning of services to support the use of our proprietary technology by licensees under our cloud-based distribution model.

Our strategy to offer access to our algorithm to laboratory licensees via our Constellation cloud-based software platform may also cause our revenues to decrease because we do not process the tests and perform the molecular biology analysis in our own laboratory under this model, and therefore are not able to charge as high an amount and, as a result, realize lower revenues per test than when we perform the entire test ourselves.

Cost of Product Revenues

The components of our cost of product revenues are material and service costs, depreciation charges associated with testing equipment, personnel costs, including stock-based compensation expense, equipment and infrastructure expenses associated with testing samples, electronic medical records, order and delivery systems, shipping charges to transport samples, costs incurred from third party test processing fees, and allocated overhead such as rent, information technology costs, leasehold depreciation and utilities. Costs associated with Whole Exome Sequencing, are also included, as well as labor costs, relating to our Signatera CLIA and Signatera research use only offerings. Costs associated with performing tests are recorded when the test is accessioned. We expect cost of product revenues to increase as the number of tests we perform increases.

As we continue to achieve scale, we have increased our focus on more efficient use of labor, automation, and DNA sequencing. For example, we updated the molecular and bioinformatics process for Panorama to further reduce the sequencing reagents, test steps and associated labor costs required to obtain a test result, while increasing the accuracy of the test to allow it to run with lower fetal fraction input. These improvements also reduced the frequency of the need to require blood redraws from the patient.

Cost of Licensing and Other Revenues

The components of our cost of licensing and other revenues are material costs associated with test kits sold to Constellation clients, development and support services relating to our strategic partnership agreements and other costs.

We consider our cost of licensing and other revenues for the Constellation software platform to be relatively low, and therefore we expect its associated gross margin is higher. We expect our cost of licensing will increase in relation to volume growth.

Expenses

Research and Development

Research and development expenses include costs incurred to develop our technology, collect clinical samples and conduct clinical studies to develop and support our products. These costs consist of personnel costs, including stock-based compensation expense; prototype materials; laboratory supplies; consulting costs; regulatory costs; electronic medical record set up costs; and costs associated with setting up and conducting clinical studies at domestic and international sites and allocated overhead, including rent, information technology, equipment depreciation and utilities. We expense all research and development costs in the periods in which they are incurred. We expect our research and development expenses to increase in absolute dollars as we continue to invest in research and development activities related to developing enhanced and new products.

Selling, General and Administrative

Selling, general and administrative expenses include executive, selling and marketing, legal, finance and accounting, human resources, billing and client services. These expenses consist of personnel costs, including stock-based compensation expense; direct marketing expenses; audit and legal expenses; consulting costs; training and medical education activities; payer outreach programs and allocated overhead, including rent, information technology, equipment depreciation, and utilities.

Interest Expense

Interest expense is attributable to borrowing under our Convertible Senior Notes (the “Convertible Notes”) and the credit line with UBS (the “Credit Line”), including the amortization of debt discounts.

Interest Income and Other (Expense) Income, Net

Interest income and other (expense) income, net is comprised of interest earned on our cash, realized gains and losses on investments and assets, sublease rental income, and foreign currency remeasurement gains and losses.

Critical Accounting Policies

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated, and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We consider our critical accounting policies and estimates to be revenue recognition, stock-based compensation attributable to performance-based awards, and certain management assumptions used in the estimation of the fair value of intangible assets acquired in a business combination.

Product Revenues

The total consideration the Company expects to collect in exchange for the Company's products is an estimate and may be fixed or variable. Consideration includes reimbursement from both patients and insurance carriers, adjusted for variable considerations related to disallowed cases, percent of patient responsibility collected, refunds and reserves, and is estimated using the expected value method. For insurance carriers and product types with similar reimbursement characteristics, the Company uses a portfolio of relevant historical data to estimate variable consideration and total collections for the Company's products. The Company constrains the estimated variable consideration when it determines it is probable that a significant reversal in the amount of cumulative revenue recognized may occur in future periods.

Stock-Based Compensation Attributable to Performance-Based Awards

Stock-based compensation expense for restricted stock units and stock options with performance metrics is calculated based upon probability of achievement of the metrics specified in the grant. Stock-based compensation expense for performance-based awards is recognized when it becomes probable that the performance conditions will be met. The fair value is recognized as expense over the requisite service period, which is generally the vesting period of the respective awards. The measurement of stock-based compensation is subject to potential adjustment based on the underlying equity instruments that ultimately vest, with the resulting change in value, if any, recognized in our statements of operations and comprehensive loss during the period that the related services are rendered.

Valuation of Intangible Assets Acquired in a Business Combination

In conjunction with the completion of the Company's acquisition of Foresight Diagnostics in December 2025, we acquired a developed technology intangible asset for which we determined the acquisition date fair value using a multi-period excess earnings income approach valuation model that discounts expected future cash flows to present value. The expected future cash flows used in the valuation model include significant assumptions that form the basis of the forecasted results, principally the clinical revenue and related growth rate. These significant assumptions are forward-looking and could be affected by future economic and market conditions.

Recent Accounting Pronouncements

We believe that the impact of accounting standards updates recently issued that are not yet effective will not have a material impact on our financial position or results of operations upon adoption.

Results of Operations

Comparison of the years ended December 31, 2025, 2024, and 2023

(in thousands)	Year Ended December 31,			Changes			
	2025	2024	2023	2025 - 2024		2024 - 2023	
				Amount	Percent	Amount	Percent
Revenues:							
Product revenues	$ 2,295,820	$ 1,685,074	$ 1,068,522	$ 610,746	36.2 %	$ 616,552	57.7 %
Licensing and other revenues	10,293	11,837	14,049	(1,544)	(13.0)	(2,212)	(15.7)
Total revenues	2,306,113	1,696,911	1,082,571	609,202	35.9	614,340	56.7
Cost and expenses:							
Cost of product revenues	810,627	672,304	588,564	138,323	20.6	83,740	14.2
Cost of licensing and other revenues	2,306	1,449	1,267	857	59.1	182	14.4
Research and development	624,110	404,138	320,678	219,972	54.4	83,460	26.0
Selling, general and administrative	1,177,261	841,314	618,307	335,947	39.9	223,007	36.1
Amortization of acquired intangible assets	1,720	—	—	1,720	100.0	—	—
Total cost and expenses	2,616,024	1,919,205	1,528,816	696,819	36.3	390,389	25.5
Loss from operations	(309,911)	(222,294)	(446,245)	(87,617)	(39.4)	223,951	50.2
Interest expense	(4,069)	(10,685)	(12,638)	6,616	61.9	1,953	15.5
Interest and other income, net	45,891	43,248	24,353	2,643	6.1	18,895	77.6
Loss before income taxes	(268,089)	(189,731)	(434,530)	(78,358)	(41.3)	244,799	56.3
Income tax benefit (expense)	59,929	(695)	(271)	60,624	8,722.9	(424)	(156.5)
Net loss	$ (208,160)	$ (190,426)	$ (434,801)	$ (17,734)	(9.3)%	$ 244,375	56.2 %

Revenues

Total revenues are comprised of product revenues, which are primarily driven by sales of our Panorama and Horizon tests, Signatera and other oncology testing, and licensing and other revenues, which primarily includes development licensing revenue and licensing of our Constellation software. Total revenues for the year ended December 31, 2025 increased by $609.2 million, or 35.9%, when compared to the year ended December 31, 2024.

We derive our revenues from tests based on units reported to customers—tests delivered with a result. All reported units are either accessioned in our laboratory or processed outside of our laboratory. As noted in the section titled "Overview" above, the number of tests that we process is a key metric as it tracks our overall volume growth. During the year ended December 31, 2025, total reported units were approximately 3,342,500, comprised of approximately 3,288,600 tests reported in our laboratories. Comparatively, during the year ended December 31, 2024, total reported units were approximately 2,926,400, comprised of approximately 2,867,400 tests reported in our laboratories. During the year ended December 31, 2025 and 2024, total oncology units processed were approximately 800,800 and 528,200, respectively.

Product Revenues

During the year ended December 31, 2025, product revenues increased by $610.7 million, or 36.2%, compared to the year ended December 31, 2024, as a result of the continued revenue growth from increased test volumes as well as average selling price improvements.

Licensing and Other Revenues

Licensing and other revenues decreased by $1.5 million, or 13.0%, during the year ended December 31, 2025 compared to the year ended December 31, 2024. The decrease was primarily due to the termination of certain collaborative agreements.

Cost of Product Revenues

During the year ended December 31, 2025, cost of product revenues increased by $138.3 million or 20.6% when compared to the year ended December 31, 2024, primarily due to higher costs related to inventory consumption of $57.2 million driven by an increase in accessioned cases, a $23.7 million increase in third-party fees, a $57.4 million increase in shipping, equipment and related depreciation expense, labor, overhead, and other related costs driven by headcount growth and product support.

Cost of Licensing and Other Revenues

Cost of licensing and other revenues for the year ended December 31, 2025, when compared to the year ended December 31, 2024, increased by approximately $0.9 million, or 59.1%, primarily due to a net increase in costs to support our collaborative agreements.

Expenses

Research and Development

Research and development expenses during the year ended December 31, 2025 increased by $220.0 million, or 54.4%, when compared to the year ended December 31, 2024. The increase was attributable to an increase of $127.3 million in salary and related compensation expenditures (including a $32.0 million increase in stock-based compensation expense), a $19.4 million increase in consulting expenses, a $21.6 million increase in office related expenses, a $40.9 million increase in lab related and clinical trial expenses, a $6.5 million net increase in facilities related expenses and a $4.3 million increase in travel and other expenses.

Selling, General and Administrative

Selling, general and administrative expenses increased by $335.9 million, or 39.9%, in the year ended December 31, 2025 compared to the year ended December 31, 2024. The increase was attributable to an increase of $212.6 million in salary and related compensation expenditures (including a $41.1 million increase in stock-based compensation expense), a $25.2 million increase in consulting expenses, a $28.5 million increase in marketing expenses, a $8.7 million increase in travel related costs, a $14.5 million increase in office costs, a $9.4 million increase in vendor expenses, a $30.6 million increase in legal related expenses, and a $6.4 million increase in facilities and other costs.

Amortization of Acquired Intangibles

Amortization of acquired intangibles increased by $1.7 million, or 100%, in the year ended December 31, 2025 compared to the year ended December 31, 2024. The increase was attributed to the amortization of intangibles acquired as part of the business combination with Foresight Diagnostics.

Interest Expense

Interest expense decreased by $6.6 million, 61.9%, in the year ended December 31, 2025 compared to the same period in the prior year due to the redemption of the Convertible Notes in October 2024.

Interest and Other Income

Interest and other income increased by $2.6 million, or 6.1%, in the year ended December 31, 2025, compared to the same period in the prior year, primarily due to unrealized gains on warrant valuations.

Income Tax Benefit (Expense)

Income tax benefit (expense) increased by $60.6 million, or 8,722.9%, in the year ended December 31, 2025, compared to the same period in the prior year, primarily due to a tax benefit from a partial release of the valuation allowance in connection with the acquisition of Foresight Diagnostics. See Note 3, *Business Combination*, for further details.

Liquidity and Capital Resources

We have incurred net losses each year since our inception. For the year ended December 31, 2025, we had a net loss of $208.2 million, and we expect to continue to incur net losses in future periods as we continue to devote a substantial portion of our resources to our research and development and commercialization efforts for our existing and new products. As of December 31, 2025, we had an accumulated deficit of $2.8 billion. As of December 31, 2025, we had $1.1 billion in cash and cash equivalents and restricted cash, and $80.3 million of outstanding balance on the Credit Line including accrued interest. As of December 31, 2025, we have $20.0 million remaining and available on the Credit Line.

While we have introduced multiple products that are generating revenues, these revenues have not been sufficient to fund all operations. Accordingly, we have funded the portion of operating costs that exceeds revenues through a combination of equity issuances and debt and other financings. We expect to develop and commercialize future products and continue to invest in the growth of our business and, consequently, we will need to generate additional revenues to achieve future profitability and may need to raise additional equity or incur additional debt. If we raise additional funds by issuing equity securities, our stockholders would experience dilution. Additional debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. Any additional debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders and requires significant debt service payments, which diverts resources from other activities. Additional financing may not be available at all, or in amounts or on terms acceptable to us. If we are unable to obtain additional financing, we may be required to delay the development and commercialization of our products and significantly scale back our business and operations.

In September 2023, we completed an underwritten equity offering and sold 4,550,000 shares of our common stock at a price of $55 per share to the public. Before offering expenses of approximately $0.4 million, we received proceeds of approximately $235.8 million net of the underwriting discount. Additionally, our contractual obligations and other commitments are satisfied by the equity financing described above, our convertible note financing conducted in April 2020 described below, the Credit Facility described below, and our product, licensing, and other sales. For our commitments, refer to the “Contractual Obligations and Other Commitments” section below.

Refer to additional disclosures associated with risks and our ability to generate and obtain adequate amounts of cash to meet capital requirements for both short-term and long-term obligations.

Based on our current business plan, we believe that our existing cash and marketable securities will be sufficient to meet our anticipated cash requirements for at least 12 months after February 26, 2026.

Credit Line Agreement

In September 2015, we entered into a Credit Line with UBS, or the Credit Line, providing for a $50.0 million revolving line of credit which could be drawn in increments at any time. The Credit Line was amended in July 2017 and bears interest at 30-day LIBOR plus 1.10%, and it is secured by a first priority lien and security interest in our money market and marketable securities held in our managed investment account with UBS. UBS has the right to demand full or partial payment of the Credit Line obligations and terminate it, in its discretion and without cause, at any time. The interest rate was subsequently changed to the 30-day Secured Overnight Financing Rate, or SOFR, average, plus 1.21%. The SOFR rate is variable. The Credit Line was subsequently increased from $50.0 million to $150.0 million. In June 2023, the Credit Line decreased to $100.0 million. In October 2023, the interest rate for the Credit Line was subsequently changed to the 30-day SOFR average, plus 0.5%. As of December 31, 2025, the total principal amount outstanding with accrued interest was $80.3 million and $20.0 million is remaining and available under the Credit Line.

Convertible Notes

In April 2020, we issued $287.5 million aggregate principal amount of Convertible Notes in a private placement offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. We received net proceeds from the Convertible Notes of $278.3 million, after deducting the initial purchasers' discounts and debt issuance costs. We used approximately $79.2 million of the net proceeds from the Convertible Notes offering to repay our obligations under our credit agreement with OrbiMed Royalty Opportunities II, LP.

The Convertible Notes were senior, unsecured obligations of the Company and bore interest at a rate of 2.25% per year, payable in cash semi-annually in arrears in May and November of each year, beginning in November 2020. Upon conversion, the Convertible Notes were convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our election. On July 19, 2024, we elected to exercise our optional redemption right to redeem all $287.5 million aggregate principal amount of our outstanding 2.25% Convertible Notes due 2027 and instructed Wilmington Trust, National Association, as trustee under the Indenture Agreement governing the Convertible Notes, to issue a redemption notice to registered holders of the Convertible Notes. The Redemption Date fixed for the redemption of the Convertible Notes was October 11, 2024. The redemption price for the Convertible Notes was equal to 100% of the principal amount of the Convertible Notes redeemed plus accrued and unpaid interest to, but excluding, the Redemption Date. We elected physical settlement with shares of our common stock as the settlement method to apply to all conversions of the Convertible Notes. On the Redemption Date, $287.4 million of Convertible Notes were converted for approximately 7.5 million shares of our common stock under the terms of the redemption notice. The remaining Convertible Notes not converted under the redemption notice were redeemed in exchange for cash at face value plus any accrued interest totaling $0.1 million.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Cash provided by (used in) operating activities	$ 215,301	$ 135,664	$ (246,955)
Cash (used in) provided by investing activities	(132,209)	137,624	168,498
Cash provided by financing activities	47,461	30,204	254,461
Net change in cash, cash equivalents and restricted cash	130,553	303,492	176,004
Cash, cash equivalents and restricted cash, beginning of period	945,587	642,095	466,091
Cash, cash equivalents and restricted cash, end of year	$ 1,076,140	$ 945,587	$ 642,095

Cash Provided by (Used in) Operating Activities

Cash provided by operating activities during the year ended December 31, 2025 was $215.3 million. The net loss of $208.2 million includes $413.5 million in non-cash charges resulting from $41.8 million of depreciation and amortization, $1.7 million of amortization of acquired intangibles, $354.4 million of stock-based compensation expense, $20.2 million of non-cash lease expense, offset by a $3.2 million change in fair value of warrants and preferred stock and a $1.4 million decrease in non-cash expense recovery. Operating assets had cash outflows of $4.6 million resulting from a $20.9 million increase in inventory and a $8.6 million increase in prepaid expenses and other assets, offset by a $20.7 million decrease in accounts receivable and a $4.2 million decrease in operating lease right-of-use assets. Operating liabilities had cash inflows of $14.6 million resulting from a $60.3 million increase in accrued compensation, a $0.8 million increase in accounts payable, a $31.3 million increase in other accrued liabilities, and a $2.8 million increase in deferred revenue, offset by a $60.8 million decrease in deferred tax liability and a $19.8 million decrease in lease liabilities.

Cash provided by operating activities during the year ended December 31, 2024 was $135.7 million. The net loss of $190.4 million includes $324.0 million in non-cash charges resulting from $31.0 million of depreciation and amortization, $274.4 million of stock-based compensation expense, $15.3 million of non-cash lease expense, $1.0 million for amortization of debt discount and issuance cost, $0.5 million for foreign exchange adjustment, and $2.8 million of non-cash interest expense, offset by a $0.6 million decrease in amortization of premiums and accretion of purchase discounts on investment securities and a $0.4 million decrease in non-cash expense recovery. Operating assets had cash outflows of $29.1 million resulting from a $35.9 million increase in accounts receivable, a $4.0 million increase in inventory, offset by a $10.8 million decrease in prepaid expenses and other assets. Operating liabilities resulted in cash inflows of $31.2 million resulting from a $13.2 million increase in accounts payable, a $40.3 million increase in accrued compensation, a $0.9 million increase in deferred revenue, offset by a $16.8 million decrease in lease liabilities and a $6.4 million decrease in other accrued liabilities.

Cash (Used in) Provided by Investing Activities

Cash used in investing activities for the year ended December 31, 2025 totaled $132.2 million, comprised of $106.2 million in acquisitions of property and equipment, $33.0 in purchase of intangible asset and $16.0 million in acquisition of business offset by $23.0 million from proceeds of investments maturities.

Cash provided by investing activities for the year ended December 31, 2024 totaled $137.6 million, which was comprised of $24.8 million from proceeds from sale of investments and $314.4 million from proceeds of investment maturities, offset by $122.0 million in purchasing of new investments, $66.4 million in acquisitions of property and equipment, $2.7 million for investment in related party, and $10.5 million for an intangible asset acquisition.

Cash Provided by Financing Activities

Cash provided by financing activities for the year ended December 31, 2025 totaled $47.5 million comprised of $22.5 million from proceeds from the exercise of stock options and $25.0 million from the issuance of common stock under our employee stock purchase plan, offset by $0.1 million related to stock issuance costs.

Cash provided by financing activities for the year ended December 31, 2024 totaled $30.2 million comprised of $13.0 million from proceeds from the exercise of stock options and $17.3 million from the issuance of common stock under our employee stock purchase plan, offset by $0.1 million related to cash redemption on the Convertible Notes.

Contractual Obligations and Other Commitments

We have entered into arrangements that contractually obligate us to make payments that will affect our liquidity and cash flows in future periods. Such arrangements include those related to our lease commitments, Credit Line (as defined below), commercial supply agreements and other agreements.

Credit Line

The short-term debt obligations consist of the $80.3 million principal amount drawn from the UBS Credit Line, or the Credit Line, and applicable interest. The Credit Line was amended in July 2017 and bears interest at 30-day LIBOR plus 1.10%, and it is secured by a first priority lien and security interest in our money market and marketable securities held in our managed investment account with UBS. We are required to maintain a minimum of at least $150.0 million in our UBS accounts as collateral which has been classified as cash, cash equivalents, and short-term investments in the consolidated balance sheets. The interest rate was subsequently changed to the 30-day SOFR average, plus 1.21%. The SOFR rate is variable. UBS has the right to demand full or partial payment of the Credit Line obligations and terminate it, in its discretion and without cause, at any time. In October 2023, the interest rate was subsequently changed to the 30-day SOFR average, plus 0.5%. Please refer to Note 12, *Debt*, for further details.

Inventory purchase and other contractual obligations

We enter into contracts in the normal course of business with various third parties for clinical trials, preclinical research studies, testing, manufacturing, and other services for operational purposes. Payments due upon cancellation generally consist only of payments for services provided or expenses incurred, including non-cancellable obligations of our service providers, up to the date of cancellation. These payments have not been included separately within these contractual and other obligations disclosures. Please refer to Note 10, *Commitments and Contingencies* for further details.

Operating leases

Our future minimum lease payments consist of $169.5 million, as described in Note 9, *Leases*, which excludes $1.5 million of lease commitments related to payments for leases executed but not yet commenced to be paid over the respective terms of such leases. The leases have not commenced under Accounting Standards Codification, or ASC, Topic 842, Leases (ASC 842), as of December 31, 2025. As a result, these leases are not reflected within the consolidated balance sheets.

The following table summarizes our contractual commitments as of December 31, 2025:

	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
			(in thousands)		
Short-term debt obligations[1]	$ 80,000	$ 80,000	$ —	$ —	$ —
Interest accrued on debt[2]	323	323	—	—	—
Inventory purchase and other contractual obligations[3]	256,942	171,251	78,315	4,793	2,583
Total	$ 337,265	$ 251,574	$ 78,315	$ 4,793	$ 2,583

(1) Represents proceeds drawn from our Credit Line.
(2) Represents interest accrued on our Credit Line.
(3) Represents various inventory purchase and other contractual obligations. Please refer to contractual commitments disclosures provided in Note 10, *Commitments and Contingencies* for additional information.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements during the periods presented.

ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to interest rates. Our Credit Line had an interest rate set at the 30-day Secured Overnight Financing Rate, or SOFR, average, plus 1.21%. The SOFR rate is variable. In October 2023, the interest rate for the Credit Line was subsequently changed to the 30-day SOFR average, plus 0.5%. An incremental change in the borrowing rate of 100 basis points would increase our annual interest expense by $0.8 million based on our $80.3 million gross debt outstanding on our Credit Line, including principal and accrued interest as of December 31, 2025. Our investment portfolio is exposed to market risk from changes in interest rates. This risk is mitigated as we have maintained a relatively short average maturity for our investment portfolio. We do not hold any short-term investments as of December 31, 2025.

Foreign Currency Exchange Rate Fluctuations

Our operations are currently conducted primarily in the United States. As we 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 will 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 and we have not historically hedged our foreign currency risk; however, we may consider doing so in the future.

Inflation Risk

As of the date of filing of this Annual Report, we do not believe that inflation has had a material effect on our business, financial condition, or results of operations. If the Company’s costs were to become subject to significant inflationary pressures, the Company may not be able to fully offset such higher costs through increases in revenue as increases in core inflation rates, higher interest rates, and lower equity prices may also negatively affect demand for our product offerings, our ability to raise capital and cashflow impact. The Company’s inability or failure to fully offset any such higher costs could harm the Company’s business, financial condition, and results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

NATERA, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Natera, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Natera, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Product Revenue

Description of the Matter

As described in Note 4 of the consolidated financial statements, product revenue is recognized in an amount equal to the total consideration expected to be received at a point in time when the genetic testing services are delivered. The Company disaggregated revenues by payor types, for which the Company recognized product revenues from insurance carriers and patients totaling $2,171.2 million and $31.8 million, respectively, during the year ended December 31, 2025. The Company used a portfolio of relevant historical data to estimate variable consideration. Consideration expected to be received for test results is estimated based on a variety of factors, including historical and current payment trends, as well as expectations of future collections.

Auditing the measurement of product revenue related to genetic testing services performed on behalf of patients was complex due to the extent of the procedures required to assess management's estimates of consideration expected to be received for genetic testing services.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of internal controls that address the risks of material misstatement relating to the measurement of revenue related to tests performed on behalf of patients. Our procedures included testing controls related to management's review of the inputs and assumptions used in estimating the consideration expected to be received for tests performed on behalf of patients.

We performed audit procedures that included, among others, assessing the methodologies used to estimate consideration expected to be received for tests performed on behalf of patients. We performed sensitivity analyses regarding the estimates of consideration expected to be received. Additionally, we tested the completeness and accuracy of the underlying data used by the Company in its analysis and management's supporting calculations of product revenue recognition. We also performed an evaluation of actual cash collections versus expectations to assess the accuracy of estimates made in prior periods.

Valuation of Developed Technology Intangible Asset Acquired in a Business Combination

Description of the Matter

As described in Note 3 to the consolidated financial statements, on December 4, 2025, the Company completed its acquisition of Foresight Diagnostics, Inc. ("Foresight Diagnostics"). The transaction was accounted for as a business combination using the acquisition method of accounting. The acquisition date fair values of acquired assets consisted principally of a finite-lived developed technology intangible asset, which was valued to be $335.3 million. The developed technology intangible asset was valued using a multi-period excess earnings income approach that discounts expected future cash flows to present value.

Auditing the acquisition date fair value of the developed technology intangible asset was complex due to the significant estimation required by management to determine the fair value of the developed technology intangible asset. The significant assumptions used to estimate the fair value of the developed technology intangible asset included the forecasted clinical revenue and related growth rate, which form the basis of the forecasted results used in the valuation approach. These significant assumptions were forward-looking and could be affected by expected future economic and market conditions.

How We Addressed the Matter in Our Audit

We evaluated and tested the design and operating effectiveness of the Company's internal controls over the determination of the estimated fair value of the acquired developed technology intangible asset. For example, we tested controls over management's review of the forecasted clinical revenue and related growth rate significant assumptions used to develop the fair value estimate of the developed technology intangible asset. We also tested management's controls to validate that the data used in the fair value estimate was complete and accurate.

To test the Company's estimated fair value of the acquired developed technology intangible asset, our audit procedures included, among others, evaluating the Company's selection of the forecasted clinical revenue and related growth rate significant assumptions. We also tested the completeness and accuracy of the underlying data utilized in the valuation. For example, we compared the revenue projections to historical data for comparable products, current industry trends, and other relevant factors. We also performed sensitivity analyses over the forecasted clinical revenue and related growth rate significant assumptions to evaluate the impact that changes in these significant assumptions would have on the fair value of the acquired developed technology intangible asset.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2012.

San Jose, California
February 26, 2026

Natera, Inc.
Consolidated Balance Sheets
(in thousands, except par value amount)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash, cash equivalents and restricted cash	$ 1,076,140	$ 945,587
Short-term investments	—	22,689
Accounts receivable, net of allowance of $8,018 in 2025 and $7,259 in 2024	296,528	314,165
Inventory	68,443	44,744
Prepaid expenses and other current assets	55,828	48,635
Total current assets	1,496,939	1,375,820
Property and equipment, net	241,184	162,046
Operating lease right-of-use assets	108,541	86,149
Goodwill	141,070	—
Intangible assets	373,713	10,933
Other assets	36,897	25,787
Total assets	$ 2,398,344	$ 1,660,735
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 33,156	$ 34,922
Accrued compensation	92,603	62,114
Contingent consideration payable, current portion	21,580	—
Deferred revenue, current portion	24,907	19,754
Short-term debt financing	80,323	80,362
Other accrued liabilities	188,659	146,893
Total current liabilities	441,228	344,045
Contingent consideration payable, long-term portion	96,780	—
Deferred tax liability, long-term portion	701	—
Operating lease liabilities, long-term portion	118,473	96,588
Deferred revenue, long-term portion	17,062	16,838
Other liabilities	11,687	7,844
Total liabilities	685,931	465,315
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock, $0.0001 par value: 750,000 shares authorized at both December 31, 2025 and 2024; 139,693 and 132,646 shares issued and outstanding at December 31, 2025 and 2024, respectively	14	12
Additional paid in capital	4,488,679	3,763,614
Accumulated deficit	(2,776,022)	(2,567,862)
Accumulated other comprehensive loss	(258)	(344)
Total stockholders' equity	1,712,413	1,195,420
Total liabilities and stockholders' equity	$ 2,398,344	$ 1,660,735

See accompanying notes.

Natera, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except per share data)

	Year ended December 31,		
	2025	2024	2023
Revenues			
Product revenues	$ 2,295,820	$ 1,685,074	$ 1,068,522
Licensing and other revenues	10,293	11,837	14,049
Total revenues	2,306,113	1,696,911	1,082,571
Cost and expenses			
Cost of product revenues	810,627	672,304	588,564
Cost of licensing and other revenues	2,306	1,449	1,267
Research and development	624,110	404,138	320,678
Selling, general and administrative	1,177,261	841,314	618,307
Amortization of acquired intangible assets	1,720	—	—
Total cost and expenses	2,616,024	1,919,205	1,528,816
Loss from operations	(309,911)	(222,294)	(446,245)
Interest expense	(4,069)	(10,685)	(12,638)
Interest and other income, net	45,891	43,248	24,353
Loss before income taxes	(268,089)	(189,731)	(434,530)
Income tax benefit (expense)	59,929	(695)	(271)
Net loss	$ (208,160)	$ (190,426)	$ (434,801)
Unrealized gain on available-for-sale securities and foreign currency translation adjustment	86	2,741	13,277
Comprehensive loss	$ (208,074)	$ (187,685)	$ (421,524)
Net loss per share (Note 15):			
Basic and diluted	$ (1.52)	$ (1.53)	$ (3.78)
Weighted-average number of shares used in computing basic and diluted net loss per share:			
Basic and diluted	136,721	124,718	114,997

See accompanying notes.

Natera, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands)

	Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance as of December 31, 2022	**111,255**	**11**	**2,664,730**	**(1,942,635)**	**(16,362)**	**705,744**
Issuance of common stock upon exercise of stock options	298	—	3,892	—	—	3,892
Issuance of common stock under employee stock purchase plan	392	—	15,128	—	—	15,128
Issuance of stock for bonuses	349	—	19,774	—	—	19,774
Issuance of common stock for IPR&D milestone	336	—	14,435	—	—	14,435
Issuance of common stock for public offering, net	4,550	—	235,441	—	—	235,441
Vesting of restricted stock units	2,401	—	—	—	—	—
Stock-based compensation	—	—	192,437	—	—	192,437
Unrealized gain on available-for-sale securities and foreign currency translation adjustment	—	—	—	—	13,277	13,277
Net loss	—	—	—	(434,801)	—	(434,801)
Balance as of December 31, 2023	**119,581**	**$ 11**	**$ 3,145,837**	**$ (2,377,436)**	**$ (3,085)**	**$ 765,327**
Issuance of common stock upon exercise of stock options	1,626	—	12,988	—	—	12,988
Issuance of common stock under employee stock purchase plan	369	—	17,298	—	—	17,298
Issuance of stock for bonuses	270	—	24,071	—	—	24,071
Issuance of common stock for Convertible Notes and accrued interest	7,532	1	286,729	—	—	286,730
Vesting of restricted stock units	3,268	—	—	—	—	—
Stock-based compensation	—	—	276,691	—	—	276,691
Unrealized gain on available-for-sale securities and foreign currency translation adjustment	—	—	—	—	2,741	2,741
Net loss	—	—	—	(190,426)	—	(190,426)
Balance as of December 31, 2024	**132,646**	**$ 12**	**$ 3,763,614**	**$ (2,567,862)**	**$ (344)**	**$ 1,195,420**
Issuance of common stock upon exercise of stock options	370	—	22,536	—	—	22,536
Issuance of common stock under employee stock purchase plan	216	—	25,035	—	—	25,035
Issuance of stock for bonuses	228	—	32,875	—	—	32,875
Issuance of common stock pursuant to business combination, net	1,137	—	287,316	—	—	287,316
Vesting of restricted stock units	5,096	2	—	—	—	2
Stock-based compensation	—	—	357,303	—	—	357,303
Unrealized gain on available-for-sale securities and foreign currency translation adjustment	—	—	—	—	86	86
Net loss	—	—	—	(208,160)	—	(208,160)
Balance as of December 31, 2025	**139,693**	**$ 14**	**$ 4,488,679**	**$ (2,776,022)**	**$ (258)**	**$ 1,712,413**

See accompanying notes.

Natera, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Operating activities:			
Net loss	$ (208,160)	$ (190,426)	$ (434,801)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	41,764	30,968	24,097
Amortization of acquired intangible assets	1,720	—	—
Expensed in-process research and development	—	—	2,679
Non-cash lease expense	20,198	15,325	14,519
Stock-based compensation	354,404	274,428	191,808
Amortization of premiums and accretion of purchase discounts on investment securities	32	(618)	1,087
Change in fair value of warrants and preferred stock of related party equity investment	(3,235)	—	—
Foreign exchange adjustment	17	462	265
Amortization of debt discount and issuance cost	—	991	1,292
Non-cash interest expense	(39)	2,835	52
Non-cash expense recovery	(1,445)	(442)	—
Changes in operating assets and liabilities:			
Accounts receivable	20,752	(35,876)	(33,904)
Inventory	(20,871)	(3,985)	(5,353)
Operating lease right-of-use assets	4,229	—	8,354
Prepaid expenses and other assets	(8,634)	10,807	(26,072)
Accounts payable	753	13,210	(15,458)
Accrued compensation	60,269	40,328	21,619
Deferred tax liability	(60,800)	—	—
Operating lease liabilities	(19,751)	(16,819)	(12,448)
Other accrued liabilities	31,345	(6,376)	10,347
Deferred revenue	2,753	852	4,962
Net cash provided by (used in) operating activities	215,301	135,664	(246,955)
Investing activities:			
Purchases of investments	—	(122,010)	(98,303)
Proceeds from sale of investments	—	24,822	—
Proceeds from maturity of investments	23,000	314,400	306,000
Purchases of property and equipment, net	(106,188)	(66,423)	(39,199)
Purchase of intangible assets, net	(33,000)	(10,495)	—
Investment in related party	—	(2,670)	—
Cash paid for business combination, net	(16,021)	—	—
Net cash (used in) provided by investing activities	(132,209)	137,624	168,498
Financing activities:			
Proceeds from exercise of stock options	22,536	12,988	3,892
Proceeds from the issuance of common stock under the employee stock purchase plan	25,037	17,298	15,128
Proceeds from public offering, net of issuance cost	—	—	235,441
Stock issuance costs	(112)	—	—
Cash redemption on Convertible Note	—	(82)	—
Net cash provided by financing activities	47,461	30,204	254,461
Net change in cash, cash equivalents and restricted cash	130,553	303,492	176,004
Beginning cash, cash equivalents and restricted cash	945,587	642,095	466,091
Ending cash, cash equivalents and restricted cash	$ 1,076,140	$ 945,587	$ 642,095
Supplemental disclosure of cash flow information:			
Cash paid for income taxes, net	$ 499	$ 1,307	$ 295
Cash paid for interest	$ 4,069	$ 7,897	$ 11,346
Non-cash activities:			
Purchases of property and equipment in accounts payable and accruals	$ (1,014)	$ 9,374	$ 1,582
Acquisition of warrants	$ —	$ 9,424	$ —
Amounts accrued for acquisition of intangible assets	$ 3,000	$ 1,400	$ —
Contingent consideration for business combination	$ 118,360	$ —	$ —
Issuance of common stock for business combination	$ 287,428	$ —	$ —
Issuance of common stock for IPR&D milestone	$ —	$ —	$ 14,435
Issuance of common stock for bonuses	$ 32,875	$ 24,071	$ 19,774
Stock-based compensation included in capitalized software development costs	$ 2,899	$ 2,263	$ 629
Debt and interest converted into equity	$ —	$ 286,730	$ —

See accompanying notes

1. Description of Business

Natera, Inc. (the "Company") was formed in the state of California as Gene Security Network, LLC in November 2003 and incorporated in the state of Delaware in January 2007. The Company is a diagnostics company with proprietary molecular and bioinformatics technology that it is applying to change disease management worldwide. The Company's cell-free DNA ("cfDNA") technology combines its novel molecular assays, which reliably measure many informative regions across the genome from samples as small as a single cell, with its statistical algorithms that incorporate data available from the broader scientific community to identify genetic variations covering a wide range of serious conditions with high accuracy and coverage. The Company focuses on applying its technology to three main areas of healthcare – oncology, women's health and organ health. In oncology, the Company commercializes personalized blood-based DNA tests designed to optimize therapy decisions from diagnosis to survivorship. In the women's health space, the Company develops and commercializes non- or minimally- invasive tests to support a range of women's health needs, from prenatal testing to hereditary cancer screening. In organ health, the Company offers tests to assess kidney, heart, and lung transplant rejection as well as genetic testing for chronic kidney disease. The Company operates laboratories in Austin, Texas, San Carlos, California, and Boulder, Colorado, certified under the Clinical Laboratory Improvement Amendments of 1988 ("CLIA"), providing a host of cell-free DNA-based molecular testing services. The Company determines its operating segments based on the way it organizes its business to make operating decisions and assess performance. The Company operates one segment, the development and commercialization of molecular testing services, applying its proprietary technology in the fields of oncology, women's health and organ health.

The Company's key product offerings include its Panorama Non-Invasive Prenatal Test ("Panorama") that screens for chromosomal abnormalities of a fetus in single and twin pregnancies, typically with a blood draw from the mother; Horizon Carrier Screening ("Horizon") to determine carrier status for a large number of severe genetic diseases that could be passed on to the carrier's children; its Signatera molecular residual disease test ("Signatera") to detect circulating tumor DNA in patients previously diagnosed with cancer to assess molecular residual disease, monitor for recurrence, and evaluate treatment response; and its Prospera test, to assess organ transplant rejection in patients who have undergone kidney, heart, or lung transplantation. All testing is available principally in the United States with Panorama testing available to customers outside of the United States, primarily in Europe. Additionally, the Company also offers a cloud-based software platform, Constellation, that enables laboratory customers to gain access through the cloud to the Company's algorithms and bioinformatics to validate and launch their own tests based on the Company's technology.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

Liquidity Matters

The Company has incurred net losses since its inception and anticipates net losses for the near future. The Company had a net loss of $208.2 million for the year ended December 31, 2025 and an accumulated deficit of $2.8 billion as of December 31, 2025. As of December 31, 2025, the Company had $1.1 billion in cash, cash equivalents, and restricted cash and $80.3 million of outstanding balance on the Credit Line (as defined in Note 12, *Debt*) including accrued interest. The Company is required to maintain a minimum of at least $150.0 million in its UBS accounts as collateral for its Credit Line which is classified as cash, cash equivalents, or short-term investments in the consolidated balance sheets. As of December 31, 2025, the Company had $20.0 million remaining and available on its Credit Line.

While the Company has introduced multiple products that are generating revenues, these revenues have not been sufficient to fund all operations and business plans. Accordingly, the Company has funded the portion of operating costs that exceeds revenues through a combination of equity issuances, debt issuances, and other financings.

The Company continues to invest in the development and commercialization of its existing and future products and, consequently, it will need to generate additional revenues to achieve future profitability and may need to raise additional equity or debt financing. If the Company raises additional funds by issuing equity securities, its stockholders will experience dilution. Additional debt financing, if available, may involve covenants restricting its operations or its ability to incur additional debt. Any additional debt financing or additional equity that the Company raises may contain terms that are not favorable to it or its stockholders and requires significant debt service payments, which diverts resources from other activities. Additional financing may not be available when necessary, or in amounts or on terms acceptable to the Company. If the Company is unable to obtain additional financing, it may be required to delay or slow its investment in the development and commercialization of its products and significantly scale back its business and operations.

On July 19, 2024, the Company announced its decision to redeem all of its outstanding 2.25% Convertible Senior Notes (the "Convertible Notes") due 2027. The redemption was completed on October 11, 2024 (the "Redemption Date"). The redemption price for the Convertible Notes equaled 100% of the principal amount of the Convertible Notes to be redeemed plus accrued and unpaid interest to, but excluding, the Redemption Date. The Company elected physical settlement with shares of its common stock as the settlement method to apply to all conversions of the Convertible Notes. On the Redemption Date, $287.4 million of Convertible Notes were redeemed for approximately 7.5 million shares of the Company's common stock under the terms of the redemption notice. The remaining Convertible Notes not redeemed under the redemption notice were converted in exchange for cash at face value plus accrued interest totaling $0.1 million. As such, the Company's redemption of its Convertible Notes did not have a material effect on its liquidity.

In September 2023, the Company completed an underwritten equity offering and sold 4,550,000 shares of its common stock at a price of $55 per share to the public. Before estimated offering expenses of $0.4 million, the Company received proceeds of approximately $235.8 million net of the underwriting discount.

Based on the Company's current business plan, the Company believes that its existing cash will be sufficient to meet its anticipated cash requirements for at least 12 months after February 26, 2026.

Principles of Consolidation

The accompanying consolidated financial statements include all the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make judgments, estimates, and assumptions that could affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The Company bases its estimates and assumptions on historical experience and on various other assumptions it believes to be applicable and evaluates them on an ongoing basis to ensure they remain reasonable under current conditions. Actual results could differ significantly from those estimates.

Reclassifications

Some items in the prior period financial statements were reclassified to conform to the current presentation. Such items included the reclassification of intangible assets from other assets on the consolidated balance sheets.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting, which requires, among other things, that results of operations for acquired companies are included in the Company's results of operations beginning on the acquisition date and that assets acquired, and liabilities assumed are recognized at fair value as of the acquisition date. Any excess of the fair value of consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable, and as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of acquisition, the Company may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition-related expenses and post-combination integration and employee compensation costs are recognized separately from the business combination and are expensed as incurred.

Contingent consideration obligations incurred in connection with a business combination are recorded at their estimated fair values on the acquisition date and remeasured at their fair values each subsequent reporting period until the related contingencies have been resolved. The resulting changes in fair values are recorded in earnings. The determination of fair value requires management to make significant estimates, particularly with respect to identified acquired intangible assets. These estimates are inherently uncertain and subject to change as additional information is obtained during the measurement period, which lasts for up to one year from the acquisition date. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statement of operations and comprehensive loss. See Note 3, *Business Combination*, for details.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash consist of cash, liquid demand deposits, and money market funds whose fund policies require the weighted average maturity of the fund's securities holdings not to exceed 90 days. Restricted cash as of December 31, 2025 and 2024 was immaterial. Cash equivalents do not include U.S. Treasuries.

Investments

Investments consist primarily of debt securities such as U.S. Treasuries, U.S. agency and municipal bonds. Management determines the appropriate classification of securities at the time of purchase and re-evaluates such determination at each balance sheet date. The Company generally classifies its entire investment portfolio as available-for-sale. The Company views its available-for-sale portfolio as available for use in current operations. Accordingly, the Company classifies all investments as short-term, irrespective of maturity date. Available-for-sale securities are carried at fair value, with unrealized gains and losses reported in accumulated other comprehensive income (loss), which is a separate component of stockholders' equity.

The Company classifies its investments as Level 1 or 2 within the fair value hierarchy. Fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the Company has the ability to access. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. The Company holds Level 2 securities, which are initially valued at the transaction price and subsequently valued by a third-party service provider using inputs other than quoted prices that are observable either directly or indirectly, such as yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures. The Company performs certain procedures to corroborate the fair value of these holdings.

Available-for-sale debt securities. The amended guidance from ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, requires the measurement of expected credit losses for available-for-sale debt securities held at the reporting date over the remaining life based on historical experience, current conditions, and reasonable and supportable forecasts. The Company evaluated its investment portfolio under the available-for-sale debt securities impairment model guidance and determined the Company's investment portfolio is composed of low-risk, investment grade securities and thus has not recorded an expected credit loss for its investment portfolio. Further, as the Company did not hold any investments as of December 31, 2025, there were no gross unrealized losses on available for sale securities.

Accounts Receivable, net of allowance

Trade accounts receivable and other receivables. The allowance for doubtful accounts for trade accounts receivable is based on the Company's assessment of the collectability of accounts related to its clinics and laboratory partner customers. The Company regularly reviews the allowance by considering factors such as historical experience, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay. See Note 8, *Balance Sheet Components*, for a roll-forward of the allowance for doubtful accounts related to trade accounts receivable for years ended December 31, 2025, 2024, and 2023.

With respect to revenue recognized related to genetic test services provided to patient customers whereby consideration is expected to be received from insurance or patient payors, the Company recognizes a constraint to the estimated variable consideration such that it is not probable that a significant revenue reversal will occur. When assessing the total consideration expected to be received from insurance carriers and patients, a certain percentage of revenues is further constrained for estimated refunds. After applying the ASC 606 constraint, the Company assessed for credit losses under ASC 326 and determined an incremental credit loss was not needed given the quality of the insurance payors from whom such receivables are expected to be collectible and the relatively short duration over which the majority of receivables are collected. Accordingly, the Company currently does not have an incremental credit loss reserve nor allowance for doubtful accounts against accounts receivable for insurance and patient payors due to the average selling price calculations which incorporate these risks as net receivables are recorded.

Inventory

Inventory is recorded at the lower of cost or net realizable value, determined on a first-in, first-out basis. Inventory consists entirely of supplies, which are consumed at the point biologic samples are collected and as the Company provides genetic testing services, and therefore, the Company does not maintain any work-in-process or finished goods inventory. The Company enters into inventory purchases commitments so that it can meet future delivery schedules based on forecasted demand for its tests.

The Company analyzes its inventory to determine whether the composition of its inventory is obsolete or slow-moving. A write down of specifically identified unusable, or obsolete inventory in the period is recognized by considering product expiration dates and scrapped inventory. Any write-down of inventory to net realizable value establishes a new cost basis and will be maintained even if certain circumstances suggest the inventory is recoverable in subsequent periods. Costs associated with the write-down of inventory are recorded to cost of revenue on our consolidated statements of operations. Inventory reserves as of December 31, 2025 and 2024 were not material.

Property and Equipment

Property and equipment, including purchased and internally developed software, are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets, which are generally three to five years determined by the classification of the property and equipment class in accordance with the Company's fixed asset policy. Leasehold improvements are amortized using the straight-line method over the estimated useful lives of the assets or the remaining term of the lease, whichever is shorter. The Company periodically reviews the useful lives assigned to property and equipment placed in service in accordance with the Company's fixed asset policy and changes the estimates of useful lives to reflect the results of such reviews.

Capitalized Software Held for Internal Use

The Company capitalizes salaries and related costs of employees and consultants who devote time to the development of internal-use software development projects. Capitalization begins during the application development stage, once the preliminary project stage has been completed, which includes successful validation and approval from management. If a project constitutes an enhancement to previously developed software, the Company assesses whether the enhancement is significant and creates additional functionality to the software, thus qualifying the work incurred for capitalization. Once the project is available for general release, the asset is placed in service and the Company estimates the useful life of the asset and begins amortization. The Company periodically assesses whether triggering events are present to review internal-use software for impairment. Changes in estimates related to internal-use software would increase or decrease operating expenses or amortization recorded during the reporting period.

The Company amortizes its internal-use software over the estimated useful lives of three years. The net book value of capitalized software held for internal use was $31.2 million and $17.1 million as of December 31, 2025 and 2024, respectively. Amortization expense for amounts previously capitalized for the years ended December 31, 2025, 2024, and 2023, was $5.0 million, $3.5 million, and $2.4 million, respectively.

Operating Lease Right-of-Use Assets

The Company determines if an arrangement is or contains a lease at inception and classifies each lease as operating or financing. Operating lease right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments made during the lease term, net of any tenant improvement allowance. Operating lease right-of-use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of committed lease payments, the Company uses its incremental borrowing rate based on the information available at the lease commencement date, which includes assumptions made including the Company's estimated credit rating, annual percentage yields from corporate debt financings of companies of similar size and credit rating over a loan term approximating the remaining term of each lease, and government bond yields for terms approximating the remaining term of each lease in countries where the leased assets are located. Certain leases include payments of operating expenses that are dependent on the landlord's estimate, and these variable payments are therefore excluded from the lease payments used to determine the operating lease right-of-use asset and lease liability. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise any such options. Operating lease right-of-use assets are adjusted for prepaid lease payments, lease incentives and initial direct costs incurred. Lease expense is recognized on a straight-line basis over the expected lease term.

The Company elected to not apply the recognition requirements of Topic 842 to short-term leases with terms of 12 months or less. For short-term leases, lease payments are recognized as operating expenses on a straight-line basis over the lease term.

Goodwill and Intangible Assets

The excess of the fair value of consideration transferred over the fair value of the net assets acquired in a business combination is recorded as goodwill. Goodwill is not amortized and is tested for impairment, at least annually, at the reporting unit level. The Company has one reporting unit, as described within Note 16, *Segment Reporting*. During the goodwill impairment review, the Company assesses qualitative factors to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying amount, including goodwill. The Company considers qualitative factors such as macroeconomic conditions, industry and market considerations, and overall financial performance of the Company. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. The quantitative assessment considers whether the carrying amount of the Company's reporting unit exceeds its fair value, in which case an impairment loss is recognized to the extent that the reporting unit's carrying value exceeds its fair value, limited to the total amount of goodwill.

Finite-lived intangible assets are recorded at cost, net of accumulated amortization, and, if applicable, impairment charges. Amortization of finite-lived intangible assets is recorded over the assets' estimated useful lives on a straight-line basis or based on the pattern in which economic benefits are consumed, if reliably determinable. Amortization expense related to intangible assets acquired via business combinations are recorded in amortization of acquired intangible assets expense in the consolidated statements of operations and comprehensive loss. Amortization expense related to all other intangible assets was recorded to the functional category to which it primarily relates in the consolidated statements of operations and comprehensive loss. The Company assesses the impairment of long-lived intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company has not recorded impairment charges on its finite-lived intangible assets or goodwill for the periods presented in these consolidated financial statements.

Impairment of Long-lived Assets

The Company evaluates its long-lived assets for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The Company then compares the carrying amounts of the assets with the future net undiscounted cash flows expected to be generated by such asset. To the extent the future expected undiscounted cash flows are less than the carrying value of the asset, an impairment loss would be measured based on the excess carrying value of the asset's carrying value over its fair value, as determined based on discounted estimated future cash flows. The Company did not incur any material impairment charges during the years ended December 31, 2025, 2024, and 2023.

Accumulated Other Comprehensive Income (Loss)

Comprehensive loss and its components encompass all changes in equity other than those with stockholders, and include net loss, unrealized gains and losses on available-for-sale marketable securities, and foreign currency translation adjustments.

	December 31,	
	2025	2024
	(in thousands)	
Beginning balance	$ (344)	$ (3,085)
Net unrealized gain (loss) on available-for-sale securities, net of tax and foreign currency translation adjustment	86	2,741
Ending balance	$ (258)	$ (344)

The change in net unrealized loss on available-for-sale securities is due to the impact of changes in interest rates on the value of fixed-rate investments and not due to any credit deterioration. Further, due to the short-term nature of these investments, the Company has the ability and intention to hold any such investments until maturity and does not expect to realize any material investment losses. As such, the Company has assessed the unrealized loss position for available-for-sale securities and determined that an allowance for credit loss was not necessary.

Revenue Recognition

The Company recognizes revenue under, ASC 606, using the following five step process:

- Identification of a contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Revenue recognition when, or as, the performance obligations are satisfied.

The Company uses the expected value method of estimating variable consideration. The total consideration which the Company expects to collect in exchange for the Company's products is an estimate and may be fixed or variable, and is primarily based on historical cash collections for tests delivered, as adjusted for current expectations. Current expectations of cash collections factor in changes in reimbursement rate trends, past events not expected to recur, and future known changes such as anticipated contractual pricing changes or changes to insurance coverage. For insurance carriers and product types with similar reimbursement characteristics, the Company uses a portfolio approach to estimate variable consideration. When assessing the total variable consideration expected to be received from insurance carriers and patients, the Company considers both the magnitude and likelihood of a revenue reversal in the determination of the percentage of revenues to further constrain for estimated refunds.

See Note 4, *Revenue Recognition,* for detailed discussions of product revenues, licensing and other revenues, and how the five steps described above are applied.

Cost of Product Revenues

The components of our cost of product revenues are material and service costs, impairment charges associated with testing equipment, personnel costs, including stock-based compensation expense, equipment and infrastructure expenses associated with testing samples, electronic medical records, order and delivery systems, shipping charges to transport samples, costs incurred from third party test processing fees, and allocated overhead such as rent, information technology costs, equipment depreciation and utilities. Costs associated with Whole Exome Sequencing ("WES") are also included, as well as labor costs, relating to our Signatera CLIA offering. Costs associated with performing tests are recorded when the test is accessioned. Costs associated with collection kits are recorded upon shipment to the clinics.

Cost of Licensing and Other Revenues

The components of our cost of licensing and other revenues are material costs associated with test kits sold to clients using Constellation, the Company's cloud software product clients, development and support services relating to our strategic partnership agreements, and other costs.

Research and Development

The Company records research and development costs in the period incurred. Research and development costs consist of personnel costs, including stock-based compensation expense, contract services, cost of materials utilized in performing tests, costs of clinical trials, cost of clinical samples and related clinical data, asset acquisition of in-process research and development, and allocated facilities and related overhead expenses.

Advertising Costs

The Company expenses advertising costs as incurred. The Company incurred advertising costs of $10.6 million, $2.3 million, and $1.1 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Product Shipment Costs

The Company expenses product shipment costs, which include biological samples for processing, in cost of product revenues in the accompanying statements of operations. Shipping and handling costs for the years ended December 31, 2025, 2024, and 2023 were $54.7 million, $43.5 million, and $42.2 million, respectively.

Income Taxes

Income taxes are recorded in accordance with Financial Accounting Standards Board ASC *Topic 740, Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Tax benefits are recognized when it is more likely than not that a tax position will be sustained during an audit. Deferred tax assets are reduced by a valuation allowance if current evidence indicates that it is considered more likely than not that these benefits will not be realized. See further discussion in Note 14, *Income Taxes*.

Defined Contribution Plan Costs

The Company has a defined contribution plan (the "Defined Contribution Plan") for its employees which complies with section 401(k) of the Internal Revenue Code. The Company provides a discretionary match to all participants who make 401(k) contributions pursuant to the Defined Contribution Plan. The discretionary match provided to participants is equivalent to 50% of a participant's pre-tax contributions up to a maximum of 6% of eligible compensation per pay period. Total consolidated contribution expense under these plans was $15.3 million, $10.7 million and $8.6 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Stock-Based Compensation

Stock-based compensation related to stock options, restricted stock units ("RSUs"), performance-based awards ("PSUs"), market-based awards, and stock purchase rights under an Employee Stock Purchase Plan ("ESPP") granted to the Company's employees is measured at the grant date based on the fair value of the award. The fair value is recognized as expense over the requisite service period, which is generally the vesting period of the respective awards. If awards have both a service condition and performance or market condition, then a graded attribution method is used to recognize expense. No compensation cost is recognized when the requisite service has not been met and the awards are therefore forfeited.

Employee stock-based compensation expense is calculated based on awards ultimately expected to vest and has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods, if actual forfeitures differ from those estimates. Non-employee stock-based compensation expense is not adjusted for estimated forfeitures up until the occurrence of the actual forfeiture of the associated awards.

The fair value of stock option awards is recognized as compensation expense on a straight-line basis over the requisite service period in which the awards are expected to vest and forfeitures are estimated based on historical trends at the time of grant and revised as necessary. Stock option awards that include a service condition and a performance condition are considered expected to vest when the performance condition is probable of being met.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options issued to employees and non-employees. The Black-Scholes model considers several variables and assumptions in estimating the fair value of stock-based awards. These variables include the per share fair value of the underlying common stock, exercise price, expected term, risk-free interest rate, expected annual dividend yield and the expected stock price volatility over the expected term. For all stock options granted, the Company calculates the expected term based on the weighted average actual terms of stock option awards. Beginning January 1, 2023, the Company determined expected volatility using the historical volatility of its common stock over the expected term of the award. The risk-free interest rate is based on the yield available on U.S. Treasury zero-coupon issues similar in duration to the expected term of the equity-settled award.

For stock options and performance-based awards that vest upon meeting performance conditions or market conditions in combination with performance conditions, the Company derives the requisite service period from the grant date to the date it is probable that the vesting conditions will be met.

For stock options with market conditions, the Company derives the requisite service period using the Monte Carlo simulation model. For stock options and RSUs that vest upon meeting performance conditions or market conditions in combination with performance conditions, the Company derives the requisite service period from the grant date to the date it is probable that the vesting conditions will be met.

The Monte Carlo simulation model is used to estimate the fair value of market-based condition awards. The model requires the input of the Company's expected stock price volatility, the expected term of the awards, and a risk-free interest rate. See further discussion on the valuation assumptions used under Note 11.

The Company determines the fair value of RSUs based on the closing price of our stock price, which is listed on Nasdaq, at the date of the grant.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period, excluding shares subject to repurchase and without consideration of potentially dilutive securities. Diluted net loss per share is computed by giving effect to all potentially dilutive common shares outstanding for the period. For purposes of this computation, outstanding common stock options, and restricted stock units are considered to be common share equivalents. Common share equivalents are excluded from the computation in periods in which they have an anti-dilutive effect, unless the consideration of any one of them gives a dilutive effect.

Fair Value

The Company discloses the fair value of financial instruments for financial assets and liabilities for which the value is practicable to estimate. Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Related Party Transactions

On December 6, 2021, the Company participated along with certain other investors in the series B financing of MyOme, Inc. (“MyOme”) and purchased preferred shares and warrants in exchange for a cash payment of approximately $4.0 million which was allocated $2.2 million for preferred shares and $1.8 million for warrants. In August 2024, the Company participated in a subsequent round of the series B financing and purchased an additional $2.7 million of series B preferred shares at the same valuation as the initial round of financing in December 2021. The Company does not hold a seat on MyOme’s board of directors and does not participate or direct the day-to-day activities of MyOme. Because MyOme is a privately-held company without readily determinable fair values, the Company elected to account for its preferred Series B share investment in MyOme using the measurement alternative, which is cost, less any impairment, adjusted for changes in fair value resulting from observable transactions for identical or similar investments of the same issuer as of the respective transaction dates. When indicators exist and the estimated fair value of the investment is below its carrying amount, the Company would adjust the investment to fair value. The change in carrying value resulting from the remeasurements would be recognized in interest and other income, net on the consolidated statements of operations. The following are the Company’s related persons and the basis of each such related person’s relationship with MyOme:

- Matthew Rabinowitz, the Company’s executive chairman and co-founder, is the chairman of the board and founder of MyOme, and a beneficial holder of approximately 20.4% of the outstanding shares of MyOme on a fully dilutive basis;

- Jonathan Sheena, the Company’s co-founder and a member of the Company’s board of directors, is a stockholder and a member of the board of directors of MyOme;

- Daniel Rabinowitz, the Company’s Secretary and Chief Legal Officer, is a stockholder of MyOme; and

- Roelof Botha, the Lead Independent Director of the Company's board of directors, is a managing member of Sequoia Capital. Certain funds affiliated with Sequoia Capital also participated in MyOme's series B financing.

None of the related party investments in MyOme by our executives and directors noted above were at the behest of the Company nor funded by the Company.

In February 2024, the Company entered into a collaboration and commercialization agreement (the "Collaboration Agreement") with MyOme pursuant to which the parties agreed to partner to offer certain genetic testing services to be developed and funded solely by MyOme and overseen by a joint steering committee. The Company agreed to assist MyOme with commercial activities. In connection with the Collaboration Agreement, the Company received a 10-year warrant to purchase 3,058,485 shares of MyOme's common stock at an exercise price of $0.25 per share, which is exercisable in whole or in part, commencing in February 2024, and can be converted to MyOme's common stock upon the occurrence of MyOme's initial public offering or a liquidation event (as such terms are defined in MyOme's certificate of incorporation). Additionally, upon the achievement of certain product commercialization milestones, the Company is eligible to receive an additional warrant exercisable for 2,080,565 shares of MyOme's series B preferred stock with an exercise price of $0.01 per share. During September 2024, the Company achieved certain product commercialization milestones such that the warrant for 2,080,565 shares of MyOme's series B preferred stock was due from MyOme to the Company. These warrants were granted and issued by MyOme to the Company during the fourth quarter of 2024, and were exercisable in whole or in part in December 2024. However, the Company needs to perform ongoing collaboration in exchange for the warrant consideration. Accordingly, the warrants have been included within other assets and allocated between short-term and long-term liabilities on the consolidated balance sheets. The Company is amortizing the liability as a reduction of selling and marketing expense upon commercialization and sale of the products contemplated under the Collaboration Agreement over the life of the contract. For the year ended December 31, 2025 and 2024, the amortization of the non-cash liability was $1.5 million and $0.4 million, respectively.

The warrants issued to the Company in 2021 and 2024 are accounted for as derivative instruments and recorded within other assets on the consolidated balance sheets at fair value on a recurring basis. The warrants were valued using the Black-Scholes valuation model as of each reporting period, including the date of issuance. Subject to the Company's achievement of certain commercialization milestones, the Company may receive additional warrants to purchase MyOme's series B preferred stock. To the extent the genetic testing services are successfully commercialized, the Company will owe certain royalty payments to MyOme. For the year ended December 31, 2025, the royalties to MyOme were not material. As of December 31, 2025 and 2024, the Company's carrying amount of preferred shares in MyOme was $6.6 million and $4.9 million, respectively, on its consolidated balance sheets. The fair market value of the warrants as of December 31, 2025 and 2024 was $12.7 million and $11.2 million, respectively, on the consolidated balance sheets. In October 2025, the Company entered into an amendment to the Series B Preferred Stock Agreement with MyOme, which commits the Company to invest an additional $10.0 million in MyOme by January 2026. This additional investment was funded in January 2026.

Risk and Uncertainties

Financial instruments that potentially subject the Company to credit risk consist of cash, cash equivalents, and restricted cash, accounts receivable and investments. The Company limits its exposure to credit loss by placing its cash in financial institutions with high credit ratings. The Company's cash may consist of deposits held with banks that may at times exceed federally insured limits. The Company performs evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any one institution.

For the years ended December 31, 2025, 2024, and 2023, there were no customers exceeding 10% of total revenues on an individual basis. As of December 31, 2025 and 2024, there were no customers with an outstanding balance exceeding 10% of net accounts receivable.

For the years ended December 2025, 2024, and 2023, approximately 13.6%, 12.1%, and 12.8%, respectively, of total revenue were paid by Medicare on behalf of multiple customers. For the years ended December 2025 and 2024, approximately 14.1% and 11.5% respectively, of accounts receivable are expected to be paid by Medicare on behalf of multiple customers.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") under its accounting standard codifications or other standard setting bodies and adopted by the Company as of the specified effective date.

Recently Adopted Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") under its accounting standard codifications or other standard setting bodies and are adopted by the Company as of the specified effective date.

In March 2020, ASU 2020-04, *Reference Rate Reform (Topic 848)* ("Topic 848") was issued which provides temporary optional guidance to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying generally accepted accounting principles to transactions affected by reference rate reform if certain criteria are met. These transactions include contract modifications, hedging relationships, and sale or transfer of debt securities classified as held-to-maturity. ASU 2022-06, or *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, defers the sunset date of Topic 848 from December 31, 2022 to December 31, 2024. Adoption of this standard occurred on January 1, 2025 and did not have a material impact on the Company's consolidated financial statements.

In December 2023, ASU 2023-09, *Income Taxes - Improvements to Income Tax Disclosures*, was issued, which requires enhanced disclosures in connection with an entity's effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. The standard became effective for annual periods beginning after December 15, 2024. Adoption of this standard occurred on January 1, 2025 and resulted in additional disclosures. The Company adopted this pronouncement prospectively in fiscal year 2025 and provided the required disclosures in Note 14, Income Taxes. See Note 14, *Income Taxes*, for further details.

New Accounting Pronouncements Not Yet Adopted

In November 2024, ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)* was issued, which requires disaggregation of any relevant expense caption presented on the face of the income statement for certain expense categories. The new guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact the guidance will have on its consolidated financial statements.

In May 2025, ASU 2025-03, *Business Combinations (Topic 805) and Consolidation (Topic 810), Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity*, was issued, which revised current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a VIE that meets the definition of a business. The amendments require that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. The amendments in this Update require an entity involved in an acquisition transaction effected primarily by exchanging equity interests when the legal acquiree is a VIE that meets the definition of a business to consider the factors in paragraphs 805-10-55-12 through 55-15 to determine which entity is the accounting acquirer. The amendments in this Update are effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The amendments in this Update require that an entity apply the new guidance prospectively to any acquisition transaction that occurs after the initial application date. Early adoption is permitted as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact the guidance will have on its consolidated financial statements.

In July 2025, ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, was issued, which introduces a practical expedient to calculating current expected credit loss by assuming that the current conditions as of the balance sheet date will not change for the remaining life of the asset. This update is effective for fiscal years beginning after December 15, 2025. The Company is evaluating the impact the adoption of the guidance will have on its consolidated financial statements.

In September 2025, ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* was issued, which amends the guidance in ASC 350-40, Intangibles-Goodwill and Other-Internal-Use Software. The amendments modernize the recognition and disclosure framework for internal-use software costs, removing the previous "development stage" model and introducing a more judgment-based approach. This ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and for interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact the guidance will have on its consolidated financial statements.

In September 2025, ASU 2025-07, "*Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*" was issued. The new guidance excludes non-exchange-traded contracts with underlyings based on operations or activities specific to one of the parties to the contract from derivative accounting. This guidance is effective for fiscal years and interim periods beginning after December 15, 2026, with early adoption permitted. These requirements may be applied prospectively or on a modified retrospective basis through a cumulative-effect adjustment to the opening balance of retained earnings. The Company is currently evaluating the impact the guidance will have on its consolidated financial statements.

3. Business Combination

Foresight Diagnostics, Inc.

On December 4, 2025, the Company completed the acquisition of Foresight Diagnostics, Inc. ("Foresight Diagnostics"), a leader in ultrasensitive molecular residual disease ("MRD") detection. Foresight Diagnostics is a cancer diagnostics company and CLIA-registered laboratory. Their circulating tumor DNA (ctDNA)-based MRD tests leverage its patented PhasED-Seq™ technology, targeting phased variants. The acquisition was completed primarily to expand Natera's intellectual property portfolio for tumor-informed and personalized MRD products including in phased variants and to build on Foresight's clinical research momentum in B-cell lymphomas.

The total purchase consideration for the acquisition of Foresight Diagnostics was $424.5 million, which included the issuance of 1,127,982 shares of common stock, par value of $0.0001 per share, at a fair value based on the acquisition date closing price of $242.06 per share of Natera common stock. Former Foresight Diagnostics shareholders received 0.0280 shares of Natera common stock for each share of Foresight Diagnostics capital stock issued and outstanding as of immediately prior to the closing of the acquisition. Additionally, the Company assumed outstanding stock options of Foresight Diagnostics ("Assumed Options"). Each Assumed Option was converted into an option to purchase shares of the Company's common stock based on the exchange ratio specified in the acquisition agreement. The Assumed Options generally retained their original vesting conditions, contractual terms, and expiration dates in effect immediately prior to the acquisition. In accordance with ASC 805, *Business Combinations*, and ASC 718, *Compensation—Stock Compensation,* the total fair value of the Assumed Options was allocated between pre-combination and post-combination service. The portion of the fair value attributable to pre-combination service was included in the total purchase consideration. The portion attributable to post-combination service was excluded from purchase consideration and will be recognized as stock-based compensation expense over the remaining requisite service period. Other components of purchase consideration included the fair value of contingent consideration of $118.4 million, cash paid at closing to settle Foresight Diagnostics' existing debt of $6.0 million and seller transaction costs paid by the Company on behalf of Foresight Diagnostics of $7.2 million. The Company also assumed promised stock options to eligible Foresight's employees which were converted, based on the exchange ratio specified in the acquisition agreement, to Natera common stock RSUs and granted upon closing the acquisition. These equity awards were not included in the total purchase consideration.

Certain former Foresight Diagnostics employees are entitled to receive contingent consideration in the form of additional shares of Natera's common stock in the aggregate amount of up to $175.0 million, based on the achievement of certain specified milestones. The Company measured the fair value of the contingent consideration obligation on the acquisition date to be $118.4 million, for which the Company recorded $21.6 million and $96.8 million as a current liability and noncurrent liability, respectively. The Company determined the estimated fair value of (i) certain milestone payments using a Monte Carlo simulation, which requires the use of projected financial information and discount rates, and (ii) certain other milestone payments based on a probability weighted expected return method. The fair value of the contingent consideration will be remeasured each reporting period until the contingencies are settled, with changes in the fair value recognized within selling, general and administrative expenses on the consolidated statements of operations and comprehensive loss.

In connection with the acquisition, the Company deposited 9,505 shares having an aggregate value of $2.3 million in the escrow account for purchase price adjustments and deposited $1.0 million in an expense account for purposes of reimbursing the stockholder representative for expenses incurred related to the acquisition. Acquisition-related costs of $3.9 million were recorded in selling, general and administrative expenses on the consolidated statements of operations and $0.1 million were recorded in additional paid in capital on the consolidated balance sheets during the year ended December 31, 2025.

The acquisition of Foresight Diagnostics has been accounted for using the acquisition method of accounting in accordance with authoritative guidance for business combinations, with Natera treated as the accounting acquirer, which requires, among other things, that the assets acquired and liabilities assumed be recognized at their fair value on the acquisition date.

The following table summarizes the fair value of consideration transferred and the fair values of the assets acquired and liabilities assumed:

		(in thousands)
Fair value of common stock issued to Foresight Diagnostics shareholders	$	273,038
Pre-combination portion of Natera replacement equity awards		12,088
Fair value of contingent consideration		118,360
Estimated fair value of the adjustment escrow shares		2,300
Stockholder representative allocable expenses		1,000
Foresight Diagnostics' transaction expenses settled by the Company		7,232
Foresight Diagnostics' indebtedness settled by the Company		5,974
Settlement of preexisting relationships		4,542
Cash payment for fractional shares		2
Total Foresight Diagnostics consideration	$	424,536
Cash and cash equivalents	$	2,727
Current assets		8,126
Property and equipment, net		7,224
Goodwill		141,070
Developed technology intangible asset		335,300
Customer relationships intangible asset		900
Trademarks / trade names intangible asset		500
Operating lease right-of-use assets		11,261
Other assets		1,291
Liabilities assumed		(22,397)
Deferred tax liability		(61,466)
Total purchase price	$	424,536

Certain working capital and tax accounts are subject to potential adjustment as the Company obtains additional information during the measurement period regarding new information obtained related to facts and circumstances that

existed as of the acquisition date, not to exceed one year from the date of acquisition. After the measurement period, any subsequent adjustments will be reflected in the consolidated statements of operations.

The excess of the acquisition date consideration over the fair values assigned to the assets acquired and the liabilities assumed was recorded as goodwill. Goodwill represents Foresight Diagnostics' assembled workforce and expected synergies the Company believes will result from the acquisition. Goodwill is not deductible for tax purposes. The fair value of the finite-lived acquired developed technology intangible asset was determined using the multi-period excess earnings income approach. This approach determines fair value based on estimated cash flow projections which are discounted to present value using a risk-adjusted rate of return. Management's estimated cash flow projections include significant assumptions, including forecasted clinical revenue and related growth rate. The discount rate used to determine the fair value of the developed technology was 12%.

The assumed settlement of pre-existing relationships was determined based on the contractual amounts of payables and receivables between the parties as such amounts approximate fair value.

Pro forma information and results of Foresight Diagnostics since acquisition date have not been presented, as the results of Foresight Diagnostics are not material in relation to the consolidated financial statements of the Company.

4. Revenue Recognition

The Company recognizes revenues when, or as, performance obligations in the contracts are satisfied, in the amount reflecting the expected consideration to be received from the goods or services transferred to the customers.

Product Revenues

Product revenues are derived by performing genetic testing services and the Company's performance obligation is complete when test results are delivered to a laboratory or patient (each a customer).

A performance obligation represents a promise in a contract to transfer a distinct good or service to a customer, which represents a unit of accounting in accordance with ASC 606. A performance obligation is considered distinct from other obligations in a contract when it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and is separately identified in the contract. The Company considers a performance obligation satisfied once the Company has transferred control of a good or service to the customer, meaning the customer has the ability to use and obtain the benefit of the good or service. A portion of the consideration should be allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company evaluates its contracts with laboratory partners and patients and identifies the performance obligations in those contracts, which are the delivery of the test results.

The total consideration the Company expects to collect in exchange for the Company's products is an estimate and may be fixed or variable. Consideration includes reimbursement from both patients and insurance carriers, adjusted for variable consideration related to disallowed cases, percent of patient responsibility collected, refunds and reserves, and is estimated using the expected value method. For insurance carriers and product types with similar reimbursement characteristics, the Company uses a portfolio of relevant historical data to estimate variable consideration and total collections for the Company's products. The Company constrains the estimated variable consideration when it determines it is probable that a significant reversal in the amount of cumulative revenue recognized may occur in future periods. The consideration expected from laboratory partners usually includes a fixed amount, but it can be variable depending on the volume of tests performed, and the Company determines the variable consideration using the expected value approach. For laboratory partners and patients, the Company allocates the total consideration to a single performance obligation, which is the delivery of the test results to the customers.

The Company enters into contracts with insurance carriers with primarily payment terms related to tests provided to patients who have health insurance coverage. Insurance carriers are considered third-party payers on behalf of the

patients, and the patients are considered the customers who receive genetic test services. Tests may be billed to insurance carriers, patients, or a combination of insurance carriers and patients. Further, the Company sells tests to a number of domestic and international laboratory partners and identifies the laboratory partners as customers, provided that there is a test services agreement between the two parties.

The Company generally bills an insurance carrier, a laboratory partner or a patient upon delivery of test results. The Company also bills patients directly for out-of-pocket costs involving co-pays and deductibles that they are responsible for. The Company may or may not get reimbursed for the full amount billed. Further, the Company may not get reimbursed at all for tests performed if such tests are not covered under the insurance carrier's reimbursement policies or the Company is not a qualified provider to the insurance carrier, or if the tests were not previously authorized.

Product revenue is recognized in an amount equal to the total consideration (as described above) expected to be received at a point in time when the test results are delivered. Approximately 90% of cash collections attributable to such product revenue occurs within 9 months, with the remaining collections generally taking an additional 6 months. During this time, management routinely reassesses its estimates of actual to expected cash collections, which are based on historical collection rates and adjusted for current information and trends. To the extent cash collections for tests delivered in prior periods are trending higher than expectations, the Company will increase revenue recognized when sufficient evidence is obtained to conclude the additional revenue will not result in a significant reversal of revenue in a future period. If cash collections for tests delivered in prior periods are trending below expectations, the Company will reduce revenue to the amount expected to be collected based on the latest information and expectations. Increases or decreases to the amount of cash expected to be collected for tests delivered in prior periods are recognized in product revenue with a corresponding impact to accounts receivable during the period such determination is made. During the years ended December 31, 2025, 2024 and 2023, the Company increased revenue by a net of $194.4 million, $151.2 million, and $5.3 million, respectively, for changes in estimate that increased revenue for tests delivered in prior periods that were fully collected, which increased revenue and decreased net loss by a corresponding amount and decreased loss per share by $1.42, $1.21, and $0.05, respectively.

Licensing and Other Revenues

The Company recognizes licensing revenues from its cloud-based distribution service offering, Constellation, by granting licenses to its licensees to use certain of the Company's proprietary intellectual properties and cloud-based software and in vitro diagnostic ("IVD") kits. The Company also recognizes revenues from its strategic collaboration agreements, such as those with BGI Genomics Co., Ltd. ("BGI Genomics") and Foundation Medicine, Inc. ("Foundation Medicine"). The Company recognizes licensing and other revenues through agreements with pharmaceutical companies in support of potential clinical trials managed by the pharmaceutical companies.

Constellation

The laboratory partners with whom the Company enters into a licensing arrangement represent the licensees and are identified as customers. The licensees do not have the right to possess the Company's software, but rather receive services through the cloud software. These arrangements often include: (i) the delivery of the services through the cloud software, (ii) the necessary support and training, and (iii) the IVD kits to be consumed as tests are processed. The Company does not consider the software as a service, the support or the training as being distinct in the context of such arrangements, and therefore they are combined as a single performance obligation. The software, support and training are delivered simultaneously to the licensees over the term of the arrangement.

The Company bills the majority of licensees, who process the tests in their laboratories, a fixed price for each test processed. Licensing revenues are recognized as the performance obligations are satisfied (i.e., upon the delivery of each test) and reported in licensing and other revenues in the Company's statements of operations and comprehensive loss.

BGI Genomics

In February 2019, the Company entered into a License Agreement (the "BGI Genomics Agreement") with BGI Genomics to develop, manufacture, and commercialize next generation sequencing-based genetic testing assays for clinical

and commercial use. The BGI Genomics Agreement has a term of ten years and expires in February 2029. Pursuant to the BGI Genomics Agreement, the Company licensed its intellectual property to and provided development services for BGI Genomics. Following completion of development services, the Company began providing assay interpretation services over the term of the agreement.

The Company has a single remaining performance obligation related to oncology assay interpretation services to be provided to BGI Genomics, to which $20.0 million of transaction consideration was allocated and prepaid by BGI Genomics. During the years ended December 31, 2025 and 2024, the Company recognized $0.5 million and $1.6 million, respectively, related to oncology assay interpretation services, of which $0.5 million and $1.4 million, respectively, were recognized against deferred royalties. The Company has $16.8 million in deferred revenue as of December 31, 2025.

Disaggregation of Revenues

The following table shows disaggregation of revenues by payer types:

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Insurance carriers	$ 2,171,186	$ 1,571,817	$ 954,155
Laboratory partners	103,112	97,210	98,891
Patients	31,815	27,884	29,525
Total revenues	$ 2,306,113	$ 1,696,911	$ 1,082,571

The following table presents total revenues by geographic area based on the location of the Company's payers:

	Year ended December 31,		
	2025	2024	2023
		(in thousands)	
United States	$ 2,264,265	$ 1,657,745	$ 1,047,636
Americas, excluding U.S.	9,354	6,620	4,908
Europe, Middle East, India, Africa	24,480	23,884	22,811
Asia Pacific and Other	8,014	8,662	7,216
Total	$ 2,306,113	$ 1,696,911	$ 1,082,571

The following table shows the changes in the balance of deferred revenues during the period:

	Balance at December 31, 2025	Balance at December 31, 2024
	(in thousands)	
Beginning balance	$ 36,592	$ 35,740
Increase in deferred revenues[(1)]	50,455	35,440
Revenue recognized during the period that was included in deferred revenues at the beginning of the period	(19,200)	(13,693)
Revenue recognized from performance obligations satisfied within the same period	(25,878)	(20,895)
Ending balance	$ 41,969	$ 36,592

(1) Increase in deferred revenues includes $2.6 million assumed at acquisition date of Foresight Diagnostics.

5. Fair Value Measurements

The Company's financial assets and liabilities carried at fair value are comprised of investment assets that include money market and investments.

The fair value accounting guidance requires that assets and liabilities be carried at fair value and classified in one of the following three categories:

Level I: Quoted prices in active markets for identical assets and liabilities that the Company has the ability to access.

Level II: Observable market-based inputs or unobservable inputs that are corroborated by market data, such as quoted prices, interest rates, and yield curves; and

Level III: Inputs that are unobservable data points that are not corroborated by market data.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Assets and Liabilities That Are Measured at Fair Value on a Recurring Basis

The following table represents the fair value hierarchy for the Company's financial assets measured at fair value on a recurring basis:

	December 31, 2025				December 31, 2024			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
				(in thousands)				
Financial Assets:								
Cash, cash equivalents and restricted cash [1]	$ 1,076,140	$ —	$ —	$ 1,076,140	$ 945,587	$ —	$ —	$ 945,587
Municipal securities	—	—	—	—	—	22,689	—	22,689
Warrants	—	—	12,659	12,659	—	—	11,200	11,200
Total financial assets	$ 1,076,140	$ —	$ 12,659	$ 1,088,799	$ 945,587	$ 22,689	$ 11,200	$ 979,476
Financial Liabilities:								
Contingent consideration [2]	$	$ —	$ 118,360	$ 118,360	$ —	$ —	$ —	$ —
Total financial liabilities	$ —	$ —	$ 118,360	$ 118,360	$ —	$ —	$ —	$ —

(1) Cash equivalents includes money market deposits and liquid demand deposits.

(2) As of December 31, 2025, contingent consideration includes $21.6 million classified as current and $96.8 million classified as non-current.

The MyOme warrants issued to the Company are accounted for as derivatives and recorded at fair value on a recurring basis and are classified within Level 3 of the fair value hierarchy because the valuation methods include certain unobservable inputs.

The Company measured the fair value of the contingent consideration obligation resulting from its acquisition of Foresight Diagnostics on the December 4, 2025 acquisition date using significant unobservable inputs, classified as Level 3. See Note 3, *Business Combination*. There were no significant changes in the fair value of the contingent consideration obligation as of December 31, 2025. Each reporting period thereafter, these obligations are revalued and changes in their fair values are recorded as selling, general, and administrative expenses, net within the consolidated statements of operations and comprehensive loss. Changes in the fair value of the contingent consideration can result from changes in assumed discount periods and rates, and from changes pertaining to the estimated or actual achievement of the defined milestones. Judgment is required in determining the appropriateness of these assumptions as of the acquisition date and

for each subsequent period. Accordingly, future business and economic conditions, as well as changes in any of the assumptions described above, can materially impact the fair value of the contingent consideration obligation.

Fair Value of Short-Term and Long-Term Debt:

As of December 31, 2025 and 2024, the estimated fair value of the total principal outstanding and accrued interest of the Credit Line was $80.3 million and $80.4 million, respectively, and were based upon observable Level 2 inputs, including the interest rate based on the 30-day Secured Overnight Financing Rate ("SOFR") average, plus 0.5%. The estimated fair value approximates the carrying value due to the short term duration and variable interest rate.

6. Goodwill and Intangible Assets

Goodwill

On December 4, 2025, upon the acquisition of Foresight Diagnostics the Company recorded $141.1 million of goodwill. See Note 3, *Business Combination*, for additional information. There were no measurement period adjustments recorded to the carrying value of goodwill during the year ended December 31, 2025.

The Company determined that no events occurred or circumstances changed that would indicate that it is more likely than not that the fair value of its reporting unit is less than its carrying amount during the year ended December 31, 2025. However, if certain events occur or circumstances change, it may be necessary to record impairment charges in the future.

Intangible Assets

The Company's intangible assets with definite lives are amortized on a straight-line basis over their estimated useful lives, which range from 3 to 15 years. Intangible assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company has no indefinite-lived intangible assets. The Company determined that no events occurred or circumstances changed during the reporting periods ended December 31, 2025 and 2024 that would indicate that its intangible assets with finite lives may not be recoverable. However, if certain events occur or circumstances change, it may be necessary to record impairment charges in the future.

Intangible assets are comprised of the following:

	Useful Life	December 31, 2025	2024
		(in thousands)	
Developed technology	15 years	$ 335,300	$ —
Customer-relationships	3-10 years	12,795	11,895
License and trademarks	6-10 years	30,500	—
Total		378,595	11,895
Less: Accumulated amortization		(4,882)	(962)
Total Intangible Assets, net		$ 373,713	$ 10,933

Intangible assets are amortized assuming no expected residual value. Amortization expense related to intangible assets was $3.9 million, $1.0 million, and none for the years ended December 31, 2025, 2024, and 2023, respectively.

The estimated future aggregate amortization expense as of December 31, 2025 is as follows:

	(in thousands)
Year ending December 31:	
2026	$ 28,666
2027	28,666
2028	28,644
2029	28,366
2030	28,366
2031 and thereafter	231,005
Total	373,713

7. Financial Instruments

The Company elected to invest a portion of its cash assets in conservative, income earning, and liquid investments. Cash, cash equivalents, restricted cash and investments, which are classified as available-for-sale securities, consisted of the following:

	December 31, 2025				December 31, 2024			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized (Loss)	Estimated Fair Value	Amortized Cost	Gross Unrealized Gain	Gross Unrealized (Loss)	Estimated Fair Value
	(in thousands)							
Cash, cash equivalents and restricted cash [2]	$ 1,076,140	$ —	$ —	$ 1,076,140	$ 945,587	$ —	$ —	$ 945,587
Municipal securities [1]	—	—	—	—	23,019	—	(330)	22,689
Total	$ 1,076,140	$ —	$ —	$ 1,076,140	$ 968,606	$ —	$ (330)	$ 968,276
Classified as:								
Cash, cash equivalents and restricted cash [2]				$ 1,076,140				$ 945,587
Short-term investments				—				22,689
Total				$ 1,076,140				$ 968,276

(1) Per the Company's investment policy, all debt securities are classified as short-term investments irrespective of holding period.

(2) Cash equivalents includes liquid demand deposits and money market funds.

The Company invests in U.S. Treasuries, U.S. agency and high-quality municipal bonds which mature at par value and are all paying their coupons on schedule. The Company has therefore concluded an allowance for expected credit losses of its investments was not necessary and will continue to recognize unrealized gains and losses in other comprehensive income (loss). The Company did not sell any investments in the year ended December 31, 2025. During the year ended December 31, 2024, the Company sold one investment for $24.8 million, which resulted in an immaterial gain. The Company did not sell any investments in the year ending December 31, 2023. The Company uses the specific investment identification method to calculate realized gains and losses and amounts reclassified out of other comprehensive income to net income. As of December 31, 2025, the Company did not hold any investments. Gross unrealized losses were not material as of December 31, 2024 or December 31, 2023. Gross unrealized losses were primarily due to declines in the value of fixed rate instruments as interest rates in the broader market increased, and were not indictive of a decline in the credit worthiness of the underlying issuers. Accordingly, the Company did not record a credit loss reserve as of December 31, 2024.

8. Balance Sheet Components

Allowance for Doubtful Accounts

The following is a roll-forward of the allowances for doubtful accounts related to trade accounts receivable for the years ended December 31, 2025, 2024 and 2023:

	December 31,		
	2025	2024	2023
		(in thousands)	
Beginning balance	$ 7,259	$ 6,481	$ 3,830
Provision for doubtful accounts	1,607	1,279	2,645
(Write-offs) / Recoveries	(848)	(501)	6
Total	$ 8,018	$ 7,259	$ 6,481

Property and Equipment, net

The Company's property and equipment consisted of the following:

	Useful Life	December 31, 2025	December 31, 2024
		(in thousands)	
Machinery and equipment	3-5 years	$ 171,270	$ 117,076
Computer equipment	3 years	3,629	3,178
Purchased and capitalized software costs held for internal use	3 years	21,195	13,178
Leasehold improvements	Lesser of useful life or lease term	62,152	48,569
Construction-in-process		94,016	58,461
		352,262	240,462
Less: Accumulated depreciation and amortization		(111,078)	(78,416)
Total Property and Equipment, net		$ 241,184	$ 162,046

The Company's long-lived assets are located in the United States.

During the year ended December 31, 2025, the increase in net property and equipment was due to expansion projects and purchases of new equipment for the Company's laboratories located in Texas and California to expand testing capabilities. During the years ended December 31, 2025, 2024, and 2023, depreciation expense of $36.5 million, $27.2 million, $22.7 million was recorded, respectively. The Company did not incur any material impairment charges during the years ended December 31, 2025, 2024, and 2023.

As of December 31, 2025 and 2024, the Company's consolidated balance sheets included $10.2 million and $9.1 million, respectively, of capitalized cloud-based implementation costs. Accumulated amortization associated with these assets was $8.3 million and $5.3 million as of December 31, 2025 and 2024, respectively. The net book value of these capitalized cloud-based implementation was $1.8 million and $3.7 million, for the years ended December 31, 2025 and 2024, respectively and are recorded in current assets and other assets within the Company's consolidated balance sheets depending on the anticipated amortization period. During the years ended December 31, 2025, 2024, and 2023, the Company recorded amortization expense of $3.0 million, $2.8 million and $1.4 million, respectively.

Accrued Compensation

The Company's accrued compensation consisted of the following:

	December 31, 2025	December 31, 2024
	(in thousands)	
Accrued paid time off	$ 4,698	$ 3,826
Accrued commissions	19,422	14,224
Accrued bonuses	48,926	32,236
Other accrued compensation	19,557	11,828
Total accrued compensation	$ 92,603	$ 62,114

Other Accrued Liabilities

The Company's other accrued liabilities consisted of the following:

	December 31, 2025	December 31, 2024
	(in thousands)	
Reserves for refunds to insurance carriers	$ 9,507	$ 11,276
Accrued charges for third-party testing	20,874	12,321
Testing and laboratory materials from suppliers	12,353	7,893
Marketing and corporate affairs	20,215	16,548
Legal, audit and consulting fees	56,077	54,208
Accrued shipping charges	3,419	1,625
Sales and income tax payable	8,365	4,416
Accrued third-party service fees	9,758	9,046
Clinical trials and studies	14,467	10,097
Operating lease liabilities, current portion	15,581	10,168
Property and equipment purchases	11,270	7,098
Other accrued expenses	6,773	2,197
Total other accrued liabilities	$ 188,659	$ 146,893

9. Leases

Operating Leases

In September 2015, the Company entered into a long-term lease agreement for laboratory and office space totaling approximately 94,000 square feet in Austin, Texas. The original lease term was 132 months beginning in December 2015 and expiring in November 2026, with monthly payments beginning in December 2016. In December 2021, the Company entered into an amendment of the Austin lease agreement, which extended the lease of the current premises through March 2033. The amendment also includes two additional office spaces (the "First Expansion Premises" and the "Second Expansion Premises"). The First Expansion Premises consists of 32,500 rentable square feet and commenced in February 2022. The Second Expansion Premises consists of 65,222 rentable square feet and commenced in September 2022. The terms of the First and Second Expansion Premises expire in March 2033. In March 2025, the Company entered into a lease agreement for additional premises of approximately 57,100 rentable square feet in Austin, Texas through March 2033 with an annual rent expense of approximately $0.9 million. In August 2025, the Company entered into a lease agreement for additional premises of approximately 45,800 rentable square feet in Austin, Texas through March 2033 with an annual rent expense of approximately $0.7 million. In December 2025, the Company exercised its expansion right for an additional premises of approximately 28,468 rentable square feet in Austin, Texas through March 2033 with an annual rent expense of approximately $0.4 million.

In October 2016, the Company entered into a lease directly with its landlord for laboratory and office spaces at its facilities located in San Carlos, California. The Company currently occupies approximately 136,000 square feet comprised of two office spaces (the "First Space" and the "Second Space"). The First Space covers approximately 88,000 square feet, and the Second Space totals approximately 48,000 square feet. In January 2021, the Company entered into an amendment of the lease to extend the term for 48 months to October 2027. In July 2024, the Company entered into an amendment of the San Carlos lease to extend the term for 60 months to October 2032. The annual rent will be approximately $9.7 million beginning January 2025, escalating annually and may be increased if the Company elects to utilize additional tenant improvement allowances. In January 2025, the Company entered into a lease agreement for additional premises of approximately 40,700 rentable square feet in San Carlos, California, through November 2028 with an annual rent expense of approximately $1.5 million.

The Company entered into a lease agreement in November 2020 to lease 11,395 square feet of space located in South San Francisco, California over a 36-month term. The premises are used for general office, laboratory and research use. The annual lease payment started at $0.9 million and escalates annually after commencing in December 2021. In December 2022, the Company exercised the renewal option of the South San Francisco lease agreement. In January 2023, the Company entered in an amendment to extend the lease term of the South San Francisco premises by three years, through November 2026.

The Company entered into a lease agreement in September 2023 to lease 16,319 square feet of space located in Pleasanton, California over a 60-month term. The premises are used for laboratory and research use and commenced in December 2023. In December 2025, the Company entered in an amendment to extend the existing premises and expand to an additional premises of 15,485 rentable square feet in Pleasanton, California through March 2034. The combined annual lease payment will be approximately $0.9 million.

In December 2025, as part of the business combination, the Company assumed a lease agreement for approximately 25,718 square feet of space located in Boulder, Colorado. The premises are used for general office, laboratory, and research use. The lease term extends through June 2034, and the annual lease payments commence at approximately $1.5 million and escalate anually.

The Company has also historically entered into leases of individual workspaces and storage spaces at various locations on both a month-to-month basis without an established lease term and, more recently for certain locations, has committed to terms approximating one to five years. For the facilities without a committed lease term, the Company has elected to not recognize them as right-of-use assets on the consolidated balance sheets as they are all considered short-term leases. For individual workspaces where the committed lease term exceeds one year, the Company has recorded a right-of-use asset on the consolidated balance sheets.

For the years ended December 31, 2025, 2024 and 2023, the Company recorded noncash activities of $38.9 million, $38.8 million, and $2.1 million, respectively, primarily related to obtaining right-of-use assets from new leases and extending existing leases in exchange for lease liabilities under ASC, Topic 842, Leases ("ASC 842").

The operating lease right-of-use assets are classified as noncurrent assets in the consolidated balance sheets. The corresponding lease liabilities are separated into current and long-term portions for the years ending December 31, 2025 and 2024 as follows:

	December 31, 2025	December 31, 2024
	(in thousands)	
Operating lease liabilities, current portion included in other accrued liabilities	$ 15,581	$ 10,168
Operating lease liabilities, long-term portion	118,473	96,588
Total operating lease liabilities	$ 134,054	$ 106,756

As of December 31, 2025, the weighted-average remaining lease term was 6.90 years and the weighted-average discount rate was 6.8%.

The Company continues to recognize lease expense on a straight-line basis. The lease expense includes the amortization of the right-of-assets with the associated interest component estimated by applying the effective interest method. Total lease expense recognized in the statements of operations and comprehensive loss were $20.2 million, $15.3 million, and $14.5 million for the years ended December 31, 2025, 2024, and 2023, respectively. Cash paid for amounts in the measurement of operating lease liabilities totaled $19.8 million, $16.8 million, and $12.4 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The present value of the future minimum lease payments under all non-cancellable operating leases as of December 31, 2025 is as follows:

	Operating Leases
	(in thousands)
Year ending December 31:	
2026	$ 24,253
2027	24,193
2028	24,128
2029	22,823
2030	23,127
2031 and thereafter	51,024
Total future minimum lease payments	169,548
Less: imputed interest	(35,494)
Operating lease liabilities	$ 134,054

10. Commitments and Contingencies

Legal Proceedings

The Company is or has been involved in legal matters, including investigations, subpoenas, demands, disputes, litigation, requests for information, and other regulatory or administrative actions or proceedings, including those with respect to intellectual property, testing and test performance, billing, reimbursement, marketing, short seller and media allegations, employment, and other matters. The Company is responding to ongoing regulatory and governmental investigations, subpoenas and inquiries, and contesting its current legal matters, but cannot provide any assurance as to the ultimate outcome with respect to any of the foregoing. There are many uncertainties associated with these matters.

The Company assesses legal contingencies to determine the degree of probability and range of possible loss for potential accrual in its financial statements. When evaluating legal contingencies, the Company may be unable to provide a reasonable estimate due to a number of factors, including the procedural status of the matter in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matters. In addition, damage amounts claimed in litigation or other matters may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of its potential liability. Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. As of December 31, 2025, the aggregate accrual for legal contingencies that are probable and reasonably estimable is approximately $32.6 million. The Company is unable to predict the ultimate outcome of the matters described below and is unable to make a reasonable estimate of the amount or range of loss, if any, that could result from an unfavorable outcome of any such matter in excess of any amounts accrued.

Intellectual Property Litigation Matters.

The Company has been involved in two patent litigations against CareDx, Inc. ("CareDx") in the United States District Court for the District of Delaware ("CareDx Patent Cases"). In the first CareDx Patent Case, CareDx alleged, in a complaint filed jointly with the Board of Trustees of the Leland Stanford Junior University in March 2019 and amended in March 2020, that the Company infringed three patents (the "CareDx Patents"). The complaint sought unspecified damages and injunctive relief. In September 2021, the Court granted the Company's motion for summary judgment, finding all three CareDx Patents invalid. This finding was affirmed on appeal by the United States Court of Appeals for the Federal Circuit. CareDx's petition for rehearing by the Federal Circuit, and its subsequent petition for certiorari to the United States Supreme Court, were both denied. In the second CareDx Patent Case, the Company alleged, in suits filed in January 2020 and May 2022, infringement by CareDx of certain of the Company's patents, seeking unspecified damages and injunctive relief. In January 2024, after trial, the jury returned a verdict in favor of the Company, finding both asserted patents valid and one patent infringed by CareDx (the "Infringed Patent") and awarding damages to the Company for lost profits and past royalties totaling $96.3 million. In February 2025, the Court granted CareDx's motion for judgment as a matter of law and invalidated both asserted Natera patents, including the Infringed Patent. The Company filed a notice of appeal to the Court of Appeals for the Federal Circuit in March 2025. Separately, in October 2024, an *ex-parte* re-examination petition was filed by CareDx with the United States Patent and Trademark Office ("USPTO") challenging the validity of the Infringed Patent; but the USPTO ultimately denied the petition and upheld the challenged claims of the Infringed Patent. In June 2025, another *ex-parte* re-examination petition challenging the validity of the '724 Patent was filed with the USPTO, which issued a non-final office action in December 2025. The Company is reviewing the office action.

In January 2020, the Company filed suit against ArcherDX, Inc. ("ArcherDX") in the United States District Court for the District of Delaware. In January 2021, the Company named an additional Archer DX entity, ArcherDx LLC, and Invitae as defendants. The Company alleged, among other things, that certain ArcherDX products, including the Personalized Cancer Monitoring ("PCM") test, infringed three of the Company's patents (the "ArcherDX Case") and sought unspecified monetary damages and injunctive relief. Following a jury trial in May 2023 and a bench trial in June 2023, all three asserted patents were found to be valid and infringed by ArcherDX and Invitae, and the jury awarded damages totaling $19.4 million to the Company. In November 2023, the Court granted in part the Company's motion for a permanent injunction against the PCM test, which the defendants have appealed. In February 2024, Invitae and ArcherDX filed a voluntary Chapter 11 petition in the U.S. Bankruptcy Court for the District of New Jersey, resulting in an automatic bankruptcy stay in the case. The stay was lifted, and post-trial proceedings resumed, in November 2024. Defendants' interim appeals remain stayed pending the Court's final resolution of the post-trial motions.

The Company is the subject of a lawsuit filed against it by Ravgen, Inc. ("Ravgen") in June 2020 in the United States District Court for the Western District of Texas, alleging infringement of two Ravgen patents and seeking monetary damages and injunctive relief. In January 2024, after trial, the jury returned a verdict of non-willful infringement by the Company and found damages of $57.0 million. Judgment has not been entered by the Court. The Company intends to appeal certain of the rulings. In addition, various parties, including the Company, have filed petitions challenging the validity of the asserted patents with the United States Patent and Trademark Office, all of which were instituted for review, and some of which were decided in favor of upholding the challenged claims. The petitions filed by the Company and certain others remain pending.

In October 2020, the Company filed suit against Genosity Inc. ("Genosity"), in the United States District Court for the District of Delaware, alleging that various Genosity products infringe one of the Company's patents and seeking unspecified monetary damages and injunctive relief. The case has been stayed pending the entry of a final judgment in the ArcherDX Case, in which the subject patent is also asserted. In February 2024, Genosity filed a voluntary Chapter 11 petition in the U.S. Bankruptcy Court for the District of New Jersey.

The Company was the subject of lawsuits filed against it by Invitae in the United States District Court of the District of Delaware alleging, in complaints filed in May and November of 2021, infringement of three patents and seeking monetary damages and injunctive relief. In February 2024, as a result of Invitae's voluntary Chapter 11 petition described above, the Court continued the trial to September 2025. Labcorp Holdings Inc. ("LabCorp") subsequently acquired the patents at issue in this case and substituted in as the plaintiff. In September 2025, the Company and LabCorp settled the case.

The Company filed suits against Inivata, Inc. and Inivata Ltd. (collectively "Inivata") in the United States District Court for the District of Delaware in January 2021 and December 2022, alleging that certain of Inivata's oncology products infringe certain of the Company's patents and seeking unspecified monetary damages and injunctive relief. The two suits have been consolidated. In March 2024, the Court stayed the case in light of the Company's case against NeoGenomics Laboratories, Inc. ("NeoGenomics"), which acquired Inivata in 2021, discussed below. In October 2025, the Company voluntarily dismissed the December 2022 suit without prejudice. In February 2026, the January 2021 suit was dismissed.

In July 2023, the Company filed suit against NeoGenomics in the United States District Court for the Middle District of North Carolina (the "District Court"), alleging infringement of two Natera patents (the "'035 Patent" and the "'454 Patent") by NeoGenomics' commercialization of the RaDaR test and seeking monetary damages and injunctive relief. In December 2023, the Court denied NeoGenomics' motion to dismiss the complaint, and granted the Company's motion for preliminary injunction. The injunction went into effect as of January 12, 2024 and was affirmed on appeal in July 2024 by the Federal Circuit Court of Appeals. NeoGenomics filed a petition with the USPTO to review the validity of the '454 Patent, which was denied in June 2024. NeoGenomics also filed a petition with the USPTO to review the validity of the '035 Patent, which proceeding was terminated in October 2024. Pursuant to the terms of a partial settlement of the case, the District Court entered a permanent injunction against NeoGenomics, and it has withdrawn its RaDaR test from the market. The case remains pending with respect to an updated version of the RaDaR test and the '454 Patent, as well as an additional Natera patent (the "596 patent") that was added to the case in December 2024. In August 2025, the Court granted summary judgment of invalidity of the '454 Patent and the '596 Patent, and final judgment in favor of NeoGenomics was entered in September 2025. Neogenomics has filed an *inter partes review* challenging the validity of the '596 patent. The USPTO declined to institute a review and dismissed the challenge to the '596 patent.

Other Litigation Matters.

CareDx filed suit against the Company in April 2019 in the United States District Court for the District of Delaware, alleging false advertising, and related claims based on statements describing studies that concern the Company's technology and CareDx's technology, seeking unspecified damages and injunctive relief. The Company filed a counterclaim against CareDx in the United States District Court for the District of Delaware, alleging false advertising, unfair competition and deceptive trade practices and seeking unspecified damages and injunctive relief. In March 2022, after trial, the jury returned a verdict that the Company was liable to CareDx and found damages of $44.9 million. The jury also returned a verdict against CareDx, finding that CareDx had engaged in false advertising. In July 2023, the Court granted in part the Company's motion for judgment as a matter of law requesting that the Court set aside the portions of the jury verdict adverse to the Company, ruling that CareDx is not entitled to any damages. The jury verdict of false advertising by CareDx remains in place. The Third Circuit affirmed the District Court's ruling that CareDx is not entitled to any damages. CareDx petitioned for rehearing *en banc*, which was denied. In February 2026, CareDx filed a petition for a *Writ of Certiorari* with the United States Supreme Court.

The Company is involved in two lawsuits against Guardant Health, Inc. ("Guardant"). In May 2021, Guardant filed suit against the Company in the United States District Court of the Northern District of California alleging false advertising and related claims and seeking unspecified damages and injunctive relief. Also in May 2021, the Company filed suit against Guardant in the Western District of Texas, alleging false advertising and related claims. The Company has voluntarily dismissed its Texas suit against Guardant and has asserted the claims from the Texas action as counterclaims in the California action, seeking unspecified damages and injunctive relief. In August 2021, Guardant moved to dismiss the Company's counterclaims, which motion was denied in all material respects. Both parties filed cross-motions for summary judgment, which were granted in part and denied in part. In November 2024, after trial, the jury returned a verdict finding the Company liable for false advertising and found damages of $292.5 million. On July 28, 2025, the Court entered a final order regarding the parties' post-trial motions, which largely upheld the jury verdict. The Court has not issued a final judgment at this time. The Company plans to appeal the final judgment to the Ninth Circuit Court of Appeals. In February 2025, Guardant filed suit against the Company and two of its former employees who recently joined the Company in the United States District Court for the Northern District of California, alleging trade secret misappropriation, breach of contract and related tort claims, seeking unspecified damages and injunctive relief. Concurrently with the filing of the complaint, Guardant also moved for a temporary restraining order and expedited discovery, which motions Guardant subsequently withdrew. In April 2025, Guardant voluntarily dismissed its claims against the Company and the employee defendants without prejudice.

In November 2021, a purported class action lawsuit was filed against the Company in the United States District Court for the Northern District of California, by a patient alleging various causes of action relating to the Company's patient billing and seeks, among other relief, class certification, injunctive relief, restitution and/or disgorgement, attorneys' fees, and costs. In May 2023, the Court granted the Company's motion to dismiss the lawsuit, and the case was dismissed without prejudice. In July 2023, the plaintiff filed analogous claims in the Superior Court of California, County of San Mateo, and subsequently filed an amended claim with an additional plaintiff. Based on the additional plaintiff, the case was transferred back to the United States District Court for the Northern District of California. The parties subsequently agreed that claims brought by the original plaintiff be remanded back to the Superior Court of California, County of San Mateo, and that the action be stayed pending the outcome of the action in the United States District Court for the Northern District of California.

In February 2022, two purported class action lawsuits were filed against the Company in the United States District Court for the Northern District of California. Each suit was filed by an individual patient alleging various causes of action related to the marketing of Panorama and seeking, among other relief, class certification, monetary damages, attorneys' fees, and costs. These matters have been consolidated. The Company filed a motion to dismiss the consolidated lawsuit, which resulted in the plaintiffs filing an amended complaint in April 2023. The Company and the plaintiffs have reached a settlement of all claims. The proposed settlement has been submitted to the District Court for approval, and class notices were sent to class members in January 2026.

In March 2022, a purported class action lawsuit was filed against the Company and certain of its management in the Supreme Court of the State of New York, County of New York, asserting claims under Sections 11, 12, and 15 of the Securities Act of 1933. The complaint alleged, among other things, that the Company failed to disclose certain information regarding its Panorama test. The complaint sought, among other relief, monetary damages, attorneys' fees, and costs. This matter was dismissed and the claims raised in this matter have been included in the lawsuit discussed below.

A purported class action lawsuit was filed against the Company and certain of its management in the United States District Court for the Western District of Texas, asserting claims under Sections 10(b) and 20(a) of the Securities Act of 1934 and Rule 10b-5 thereunder. The complaint, filed in April 2022 and amended in October 2022 (to include, among others, the claims raised in the lawsuit discussed in the preceding paragraph), alleges, among other things, that the management defendants made materially false or misleading statements, and/or omitted material information that was required to be disclosed, about certain of the Company's products and operations. The complaint seeks, among other relief, monetary damages, attorneys' fees, and costs. The Company filed a motion to dismiss this lawsuit, which was granted in part and denied in part. The Court has certified the class.

In each of October 2023 and January 2024, shareholder derivative complaints were filed in the United States District Court for the Western District of Texas and the United States District Court for the District of Delaware, respectively, against the Company as nominal defendant and certain of the Company's management. Each complaint alleges, among other things, that the management defendants made materially false or misleading statements, and/or omitted material information that was required to be disclosed, about certain of the Company's products and operations. Each complaint seeks, among other relief, monetary damages, attorneys' fees, and costs.

In October 2024, a purported class action lawsuit was filed against the Company in the United States District Court for the Northern District of California, by patients alleging various causes of action relating to the Company's preimplantation genetic test for aneuploidies. They request, among other relief, class certification, injunctive relief, restitution and/or disgorgement, attorneys' fees, and costs. The Company has filed a motion to dismiss the lawsuit, which was granted on August 4, 2025, and the case was dismissed without prejudice. In August 2025, the Plaintiffs filed an Amended Complaint.

Indemnifications

As permitted under Delaware law, and as set forth in the Company's Amended and Restated Certificate of Incorporation and its Amended and Restated Bylaws, the Company indemnifies its directors, executive officers, other officers, employees and other agents for certain events or occurrences that may arise while in such capacity. In addition,

agreements entered into by the Company may include indemnification provisions that may subject the Company to costs and damages in the event of a claim against an indemnified third party.

The maximum potential future payments the Company could be required to make under these indemnifications is unlimited; however, the Company has insurance policies and indemnification agreements that may limit its exposure and may enable it to recover a portion of any future amounts paid. Assuming the applicability of coverage, the willingness of the insurer or partner to assume coverage, and subject to certain retention, loss limits and other policy provisions, the Company believes that it is not probable that any obligations under this indemnification would be material, or in excess of any recorded accruals.

No assurances can be given that the covering insurers will not attempt to dispute the validity, applicability, or amount of coverage without expensive litigation against these insurers, in which case the Company may incur substantial liabilities as a result of these indemnification obligations.

Third-Party Payer Reimbursement Audits

From time to time, the Company receives recoupment requests from third-party payers for alleged overpayments. The Company disagrees with the contentions of pending requests and/or has recorded an estimated reserve for the alleged overpayments if probable and estimable.

Contractual Commitments

The following table sets forth the Company's material contractual commitments as of December 31, 2025:

Party	Total Commitments	Year Ended December 31, 2026	2027	2028	2029	2030	2031 and thereafter
				(in thousands)			
Laboratory instruments supplier	$ 18,900	$ 9,200	$ 9,700	$ —	$ —	$ —	$ —
Material suppliers	107,318	89,316	7,299	8,150	2,553	—	—
Application service providers	13,573	6,808	5,564	1,194	7	—	—
Cloud platform service provider	28,042	9,490	9,339	9,212	—	—	—
Other	89,109	56,437	25,662	2,195	971	1,262	2,583
Total	$ 256,942	$ 171,251	$ 57,564	$ 20,751	$ 3,531	$ 1,262	$ 2,583

In conjunction with the Company's acquisition of Foresight Diagnostics, the Company may also be required to pay up to $175.0 million to the former holders of Foresight Diagnostic's outstanding equity interests, subject to the achievement of certain milestones through December 31, 2027. As of December 31, 2025, the Company recognized a $118.4 million contingent consideration liability based on the fair value as of acquisition date. Payments will be settled in shares of the Company's common stock and are estimated to occur in years 2026 and 2027. See Note 3, *Business Combination,* for additional information.

In January 2024, the Company acquired from Invitae Corp. ("Invitae") certain assets relating to Invitae's non-invasive prenatal screening and carrier screening business. The transaction price of $10.5 million consisted of $10.0 million in upfront payment costs and approximately $0.5 million of other transaction costs which were capitalized as intangible assets over an estimated useful life of ten years. An additional payment of up to $42.5 million may be made should the Company achieve certain customer volume retention targets and based on certain legal outcomes.

During November 2024, the Company entered into an agreement to acquire clinical samples and data for oncology development. As of December 31, 2025, the Company has paid $14.0 million in cash, has recorded a payable for $4.7 million, and is committed to an additional $1.3 million, which is included in commitments above. An additional $50.0 million in potential payments owed to the third-party vendor, not included above, will depend on whether certain approvals are obtained and commercial volume milestones are achieved.

11. Stock-Based Compensation

Equity Plans

2015 Equity Incentive Plan

General. The Company's board of directors adopted its 2015 Equity Incentive Plan (the "2015 Plan"), in June 2015. The Company's 2015 Plan replaced all of its prior stock plans. In the second quarter of 2024, the Company's stockholders approved an amended and restated version of the 2015 Plan which increased the shares reserved for issuance by 6.0 million shares of the Company's common stock, extended the term of the plan by an additional 10 years and eliminated the "evergreen" feature which provided for automatic annual increases in the number of shares available for issuance under the 2015 Plan.

Stock options vest as determined by the compensation committee. In general, they will vest over a four-year period following the date of grant. These awards generally expire earlier if the participant's service terminates earlier.

Restricted Shares and Stock Units. Restricted shares and stock units (collectively "RSUs") may be awarded under the 2015 Plan in return for any lawful consideration, and participants who receive RSUs generally are not required to pay cash for their awards. These awards may be subject to vesting. Vesting may be based on length of service, the attainment of performance-based milestones or a combination of both, as determined by the compensation committee. Further, RSUs may be granted and immediately vested in lieu of certain obligations.

The Company also periodically awards phantom stock units, under a separate incentive arrangement, to certain international personnel, which are settled in cash upon vesting and accounted for as liability-based awards with no impact to the shares available for grant.

Employee Stock Purchase Plan

General. The Company's 2015 Employee Stock Purchase Plan (the "ESPP"), was adopted by its board of directors in June 2015 and its stockholders approved it in June 2015. The ESPP is intended to qualify under Section 423 of the Internal Revenue Code.

Share Reserve. The Company has 4,953,702 shares available for issuance under the ESPP as of December 31, 2025, a number that is automatically increased on the first business day of each fiscal year of the Company during the term of the ESPP by the least of (i) 1% of the total number of shares of common stock actually issued and outstanding on the last business day of the prior fiscal year, (ii) 880,000 shares of common stock (subject to the ESPP), or (iii) a number of shares of common stock determined by the Company's board of directors. The number of shares reserved under the 2015 ESPP will automatically be adjusted in the event of a stock split, stock dividend or a reverse stock split (including an adjustment to the per-purchase period share limit).

Purchase Price. Employees may purchase each share of common stock under the 2015 ESPP at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of the six-month offering periods. An employee's payroll deductions under the ESPP are limited to 15% of the compensation, and up to a maximum of 5,000 shares may be purchased during any offering period. A participant shall not be granted an option under the ESPP if such option would permit the participant's rights to purchase stock to accrue at a rate exceeding $25,000 fair market value of stock for each calendar year in which such option is outstanding at any time.

Offering Periods. Each offering period will last a number of months determined by the compensation committee, not to exceed 27 months. A new offering period will begin periodically, as determined by the compensation committee. Offering periods may overlap or may be consecutive. Unless otherwise determined by the compensation committee, two offering periods of six months' duration will begin in each year on May 1 and November 1.

Stock-Based Compensation Expense

The following table presents stock-based compensation expense recorded for equity classified awards in the statement of operations and comprehensive loss:

	Year Ended December 31,		
	2025	2024	2023
		(in thousands)	
Cost of revenues	$ 23,595	$ 16,468	$ 11,752
Research and development	120,362	88,705	66,326
Selling, general and administrative	210,447	169,255	113,730
Total	$ 354,404	$ 274,428	$ 191,808

As of December 31, 2025, approximately $636.9 million of unrecognized compensation expense, adjusted for estimated forfeitures, related to unvested option awards and RSUs will be recognized over a weighted-average period of approximately 1.7 years.

Stock Options

The following table summarizes option activity during the year ended December 31, 2025:

(in thousands, except for contractual life and exercise price)	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life *(in years)*	Aggregate Intrinsic Value
Balance at December 31, 2024	3,875	$ 30.22	4.45	$ 496,135
Options assumed[(1)]	88	$ 29.28		
Options exercised	(370)	60.99		
Options forfeited/cancelled	(2)	$ 3.78		
Balance at December 31, 2025	3,591	$ 27.03	3.57	$ 725,400
Exercisable at December 31, 2025	3,321	$ 25.79	3.26	$ 675,149
Vested and expected to vest at December 31, 2025	3,573	$ 26.96	3.55	$ 722,275

(1) Related to Assumed Options replaced in conjunction with the acquisition of Foresight Diagnostics. See Note 3 for further details.

The total intrinsic value of stock options exercised during the years ended December 31, 2025, 2024, and 2023 were $48.1 million, $145.6 million, and $14.7 million, respectively.

No options were granted in the years ended December 31, 2025 and 2024. The weighted-average average grant date fair value of options granted during the year ended December 31, 2023 was $27.31 per share.

As part of the acquisition of Foresight Diagnostics, the portion of Assumed Options attributable to post-combination service was excluded from purchase consideration and will be recognized as stock-based compensation expense over the remaining requisite service period. The total value as of the acquisition date was $6.9 million.

Valuation of Stock Option Grants

The Company utilizes Black-Scholes option pricing model when estimating the fair value of stock options. The fair value of the Assumed Options in the year ended December 31, 2025 was measured as of the acquisition date of

Foresight Diagnostics in accordance with ASC 718, *Compensation—Stock Compensation.* The following valuation assumptions were applied to options.

	Year ended December 31,		
	2025	2024	2023
Expected term (years)	1.30 — 3.56	—	5.20 — 6.11
Expected volatility	46.47% — 50.48%	— %	67.75%— 70.07%
Expected dividend rate	— %	— %	— %
Risk-free interest rate	3.21 % — 3.36 %	— %	3.41 %— 4.80 %

As of December 31, 2025, there were no options outstanding held by non-employees. Stock-based compensation expense related to stock options granted to non-employees is recognized as the stock option is earned and the services are rendered. The Company believes that the estimated fair value of the stock options is more readily measurable than the fair value of the services rendered.

Restricted Stock Units and Performance-based Awards

The following table summarizes unvested RSUs and PSUs for the year ended December 31, 2025:

	Number of Shares	Weighted-Average Grant Date Fair Value
	(in thousands)	
Balance at December 31, 2024	10,593	$ 61.28
Granted	3,504	$ 172.76
Vested	(5,324)	$ 61.62
Cancelled/Forfeited	(450)	$ 89.92
Balance at December 31, 2025	8,323	$ 100.44

The above table of unvested RSU and PSU activity reflects unvested PSUs at 100% of their target vesting amount; however, vesting can vary from 0% to 200% of target, depending on the level of achievement of performance criteria.

The Company grants certain senior-level executives performance stock units which vest based on performance and time-based service conditions, which are referred to herein as performance-based awards. During the years ended December 31, 2025, 2024, and 2023, the Company granted 0.4 million, 0.8 million, and 0.5 million performance-based awards with an aggregate grant date fair value at 100% of their target vesting amount at $64.9 million, $55.0 million, and $44.1 million, respectively. Stock-based compensation for these performance-based awards milestones are assessed to be 200% of the grant value.

The Company has recognized $98.8 million in stock-based compensation for performance-based awards for the year ended December 31, 2025 compared to $89.8 million for the year ended December 31, 2024 and $54.2 million for the year ended December 31, 2023.

12. Debt

Credit Line Agreement

In September 2015, the Company entered into a credit line with UBS (the "Credit Line") providing for a $50.0 million revolving line of credit which was fully drawn down in 2016. The Credit Line was amended in July 2017 and bears interest at 30-day LIBOR plus 1.10%. The interest rate was subsequently changed to the 30-day SOFR average, plus

1.21%. The SOFR rate is variable. The interest rate as of December 31, 2025 was 4.29%. The Credit Line was subsequently increased from $50.0 million to $150.0 million in 2020. In June 2023, the Credit Line decreased from $150.0 million to $100.0 million. In November 2022, the Company drew down $30.0 million from the $100.0 million available from the Credit Line. The Credit Line is secured by a first priority lien and security interest in the Company's money market and marketable securities held in its managed investment account with UBS. The Company is required to maintain a minimum of at least $150.0 million in its UBS accounts as collateral which is classified as cash, cash equivalents, and short-term investments in the consolidated balance sheets. UBS has the right to demand full or partial payment of the Credit Line obligations and terminate the Credit Line, in its discretion and without cause, at any time. In October 2023, the interest rate for the Credit Line was subsequently changed to the 30-day SOFR average, plus 0.5%. As of December 31, 2025, the Company has drawn down a total of $80.0 million and there is $20.0 million remaining and available on the Credit Line.

For the years ended December 31, 2025, 2024, and 2023, the Company recorded interest expense of $4.1 million, $4.7 million, and $4.9 million, respectively. Interest payments totaling $4.1 million, $4.7 million, and $4.9 million had been made on the Credit Line during the years ended December 31, 2025, 2024, and 2023, respectively. As of December 31, 2025 and December 31, 2024, and the total principal amount outstanding including accrued interest was $80.3 million and $80.4 million, respectively.

Convertible Notes

In April 2020, the Company issued $287.5 million aggregate principal amount of Convertible Notes due 2027 in a private placement offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. The Convertible Notes were senior, unsecured obligations of the Company and bore interest at a rate of 2.25% per year, payable in cash semi-annually. Upon conversion, the Convertible Notes were convertible into cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at the Company's election.

The Company received net proceeds from the Convertible Notes of $278.3 million, after deducting the initial purchasers' discounts and debt issuance costs. In 2020, the Company used approximately $79.2 million of the net proceeds from the Convertible Notes offering to repay its obligations under its credit agreement with OrbiMed Royalty Opportunities II, LP.

On July 19, 2024, the Company elected to exercise its optional redemption right to redeem all $287.5 million aggregate principal amount of its outstanding 2.25% Convertible Notes due 2027 and instructed Wilmington Trust, National Association, as trustee under the Convertible Notes Indenture (the "Indenture Agreement") governing the Convertible Notes, to issue a redemption notice to registered holders of the Convertible Notes. The date fixed for the redemption of the Convertible Notes was October 11, 2024 (the "Redemption Date"). The redemption price for the Convertible Notes was equal to 100% of the principal amount of the Convertible Notes to be redeemed plus accrued and unpaid interest to, but excluding, the Redemption Date. The Company elected physical settlement with the Company's shares of common stock as the settlement method to apply to all conversions of the Convertible Notes. All terms and conditions associated with physical settlement are noted within the terms of the original Indenture Agreement. The conversion rate for holders who converted their Convertible Notes in connection with the Company's election to redeem the Convertible Notes was increased by 0.4284 additional shares pursuant to the Indenture Agreement.

Upon adoption of ASU 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivative and Heading-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in Entity's Own Equity*, the Company allocated all of the debt discount to long-term debt. The debt discount is amortized to interest expense using the effective interest method, computed to be 2.72%, over the life of the Convertible Notes or approximately its seven-year term.

The following table presents total interest expense recognized related to the Convertible Notes during the years as follows:

	December 31,		
	2025	2024	2023
		(in thousands)	
Cash interest expense			
Contractual interest expense	$ —	$ 2,157	$ 6,469
Non-cash interest expense			
Contractual interest expense	—	2,875	—
Amortization of debt discount and debt issuance cost	—	991	1,292
Total interest expense	$ —	$ 6,023	$ 7,761

13. Stockholders' Equity

As of December 31, 2025, the Company had 50,000,000 authorized shares of its preferred stock, of which no shares were issued and outstanding; and 750,000,000 authorized shares of its common stock, at $0.0001 par value, and there were approximately 139,693,000 shares of common stock issued and outstanding.

In October 2024, the Company elected to settle its outstanding Convertible Notes through physical settlement with shares of the Company's common stock as the settlement method to apply to all conversions of the Convertible Notes. All terms and conditions associated with physical settlement are noted within the terms of the original Indenture Agreement. The Convertible Notes were settled for approximately 7,532,300 shares of the Company's common stock.

In September 2023, the Company completed an underwritten equity offering and sold 4,550,000 shares of its common stock at a price of $55 per share to the public. Before estimated offering expenses of $0.4 million, the Company received proceeds of approximately $235.8 million net of the underwriting discount.

14. Income Taxes

The Company's loss before income taxes is substantially all within the United States. The following table presents a reconciliation of the income tax expense computed at the statutory federal rate and the Company's income tax expense for the year ended December 31, 2025 in accordance with the new guidance in ASU No. 2023-09:

	December 31, 2025	
	(in thousands, except percentages)	
Tax benefit at the U.S. federal statutory rate	$ (56,299)	21.00 %
State and local income taxes, net of federal benefit [(1)]	(8,053)	3.00 %
Foreign tax effects	334	(0.12)%
Tax credits:		
Research and development credits	(2,020)	0.75 %
Changes in valuation allowance	101,513	(37.87)%
Nontaxable or nondeductible Items:		
Stock-based compensation	(133,410)	49.76 %
Nondeductible officers' compensation	33,202	(12.38)%
Meals & entertainment	3,646	(1.36)%
Other	961	(0.36)%
Other adjustments:		
Other	196	(0.07)%
Benefit for income taxes	$ (59,929)	22.35 %

(1) State taxes in California, Illinois, New York, and New Jersey made up the majority (greater than 50%) of the tax effect in this category.

The following table presents a reconciliation of the income tax expense computed at the statutory federal rate and the Company's income tax expense for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to the adoption of ASU No. 2023-09:

	December 31,			
	2024		2023	
	(in thousands, except percentages)			
U.S. federal taxes (benefit) at statutory rate	$ (39,844)	21.00 %	$ (91,251)	21.00 %
State and local income taxes, net of federal benefit	(21,613)	11.39 %	(13,492)	3.10 %
Research and development credits	(17,621)	9.29 %	(10,837)	2.49 %
Stock-based compensation	(62,969)	33.19 %	(6,422)	1.48 %
Foreign tax	(25)	0.01 %	(106)	0.02 %
Nondeductible officers' compensation	31,718	(16.72)%	8,651	(1.99)%
Acquisition costs	—	— %	563	(0.13)%
Nondeductible meals and other	2,870	(1.51)%	(3,397)	0.79 %
Change in valuation allowance	108,179	(57.02)%	116,562	(26.82)%
Provision for income taxes	$ 695	(0.37)%	$ 271	(0.05)%

During the year ended December 31, 2025, the Company recorded a tax benefit of $59.9 million primarily from a partial release of the valuation allowance in connection with the acquisition of Foresight Diagnostics (See Note 3 *Business Combination*). The net deferred tax liability from the acquisition provided a source of additional income to support the realizability of the Company's pre-existing deferred tax assets and as a result, the Company released a portion of its valuation allowance. The federal deferred tax benefit of $51.7 million and state deferred tax benefit of $9.0 million was reduced by foreign withholding of $0.2 million and state tax income tax expense of $0.6 million. During the years ended December 31, 2024, and 2023, the Company recorded total income tax expense of $0.7 million and $0.3 million, respectively, for foreign withholding and state income tax expense.

Deferred income taxes reflect the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes as well as net operating loss and tax credit carryforwards. The components of the net deferred income tax assets are as follows:

	December 31,	
	2025	2024
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 504,968	$ 395,139
Research and development tax credit carryforwards	93,942	90,759
Capitalized research costs	247,223	173,991
Reserves and accruals	35,180	23,928
Lease liabilities	33,124	26,649
Stock-based compensation	56,734	47,864
Intangible assets	—	8,846
Other	6,498	5,583
Total deferred tax assets before valuation allowance	977,669	772,759
Less: valuation allowance	(867,976)	(747,090)
Total deferred tax assets after valuation allowance	109,693	25,669
Deferred tax liabilities:		
Fixed assets	(11,464)	(4,164)
Right-of-use lease assets	(26,820)	(21,505)
Developed technology	(72,110)	—
Total deferred tax liabilities	(110,394)	(25,669)
Net deferred tax liabilities	$ (701)	$ —

The Company established a valuation allowance against its deferred tax assets in 2025 and 2024 due to the uncertainty surrounding realization of these assets. The valuation allowance increased to $868.0 million as of 2025 from $747.1 million as of 2024 due to current year losses and credits claimed.

As of December 31, 2025, the Company had federal, state, and foreign net operating loss (“NOLs”) carryforwards of approximately $2.0 billion, $1.4 billion, and $4.5 million, respectively, which begin to expire in 2030, 2026, and 2027, respectively, if not utilized. Approximately $1.7 billion of federal net operating loss included above can be carried forward indefinitely.

The Company also had federal research and development credit carryforwards of approximately $83.6 million, which begin to expire in 2027, and state research and development credit carryforwards of approximately $48.9 million, which begin to expire in 2031. Realization is dependent on generating sufficient taxable income prior to expiration of the loss and credit carryforwards.

Federal, state and foreign tax laws impose substantial restrictions on the utilization of NOLs and credit carryforwards in the event of an "ownership change" for tax purpose, as defined in Section 382 of the Internal Revenue Code. Accordingly, the Company's ability to utilize these carryforwards may be limited as the result of such ownership change. Such a limitation could result in limitation in the use of the NOLs in future years and possibly a reduction of the NOLs available.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	December 31,		
	2025	2024	2023
		(in thousands)	
Balance at beginning of year	$ 34,940	$ 30,912	$ 23,844
Additions based on tax positions related to the current year	5,862	13,648	7,034
Additions (reductions) for tax positions of prior years	(10,006)	(9,620)	34
Balance at end of year	$ 30,796	$ 34,940	$ 30,912

During the years ended December 31, 2025, 2024, and 2023, the amount of unrecognized tax benefits (decreased) increased by ($4.1) million, $4.0 million, and $7.1 million, respectively, due to additional research and development credits generated during the year offset by adjustments to prior periods resulting from the completion of R&D studies. As of December 31, 2025, 2024, and 2023, the total amount of unrecognized tax benefits was $30.8 million, $34.9 million, and $30.9 million, respectively.

The Company is subject to U.S. federal, state, and foreign income taxes. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations, and require significant judgment to apply. The Company is subject to U.S. federal, state and local tax examinations by tax authorities for all prior tax years since incorporation.

The Company recognizes any interest and/or penalties related to income tax matters as a component of income tax expense. As of December 31, 2025, there were no material accrued interest and penalties related to uncertain tax positions.

In 2021, the Organization for Economic Cooperation and Development (the “OECD”) announced an Inclusive Framework on Base Erosion and Profit Shifting including Pillar Two Model Rules defining the global minimum tax. These rules broadly call for the taxation of large multinational corporations at a minimum rate of 15%. We continue to evaluate the enacted and pending legislation to implement these rules in the non-U.S. tax jurisdictions we operate in but do not currently believe the impact to be material.

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act ("OB3"), which includes numerous changes to existing tax law including extending or making permanent certain business and international tax measures initially established under the 2017 Tax Cuts and Jobs Act (“TCJA”), which were set to expire. The OB3 permanently

eliminates the requirement to capitalize and amortize U.S.-based research and experimental expenditures over five years, making these expenditures fully deductible in the period incurred. The Company expects to make a Sec. 59(e) election and capitalize and amortize the current year domestic R&D expense over 10 years. The Company continues to amortize previously capitalized US Sec. 174 expenses over the remaining amortization periods.

15. Net Loss per Share

The following table shows the potentially dilutive common stock equivalents that were excluded from the computations of diluted net loss per share as their effect would be anti-dilutive, as of December 31, 2025, 2024, and 2023:

	December 31,		
	2025	2024	2023
		(in thousands)	
Options to purchase common stock	3,591	3,875	5,501
Performance-based awards and restricted stock units	8,323	10,593	9,248
Employee stock purchase plan	34	40	88
Convertible Note	—	—	7,411
Contingent consideration for business combination	517	—	—
	12,465	14,508	22,248

16. Segment Reporting

In November 2023, ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, was issued which requires disclosure of incremental segment information on an interim and annual basis that are regularly provided to the chief operating decision maker (the "CODM") and included within each reported measure of segment profit or loss. The Company has adopted this ASU as of December 31, 2024. The Company currently operates as a single reporting segment entity with the Chief Executive Officer as the CODM. The CODM relies on the financial statements presented within the annual report Form 10-K and quarterly Form 10-Q to evaluate the Company's financial performance and make key operating decisions. The key area of focus of the CODM for the allocation of resources is the cash used in operations. These financial statements provide a comprehensive view of the Company's overall financial condition, including information on expenses, assets, and liabilities. The significant expense categories are consistent with those presented on the face of the statements of operations and comprehensive loss. The CODM does not receive or use any other segmented or disaggregated financial or any significant expense information for decision-making purposes. Additionally, gross margin is regularly provided to the CODM and is derived based on the consolidated statements of operations and comprehensive loss as follows:

	December 31,		
	2025	2024	2023
	(in thousands except percentages)		
Revenue	$ 2,306,113	$ 1,696,911	$ 1,082,571
Cost of product revenues	810,627	672,304	588,564
Cost of licensing and other revenues	2,306	1,449	1,267
Gross margin	$ 1,493,180	$ 1,023,158	$ 492,740
Gross margin percentage	64.7%	60.3%	45.5%

17. Subsequent Events

Subsequent to December 31, 2025, the Company entered into a new lease arrangement for additional laboratory space in San Carlos, California. The new lease arrangements have future commitments aggregating to approximately $39.2 million through 2036.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A: CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation of our disclosure controls and procedures as of December 31, 2025, management has concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the effectiveness of our internal control over financial reporting as of December 31, 2025 using the criteria set forth in the 2013 *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. Based on our evaluation, management has concluded that we maintained effective internal control over financial reporting as of December 31, 2025 based on the COSO criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears in Item 9A of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Natera, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Natera, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Natera, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2025 consolidated financial statements of the Company and our report dated February 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

San Jose, California
February 26, 2026

ITEM 9B. OTHER INFORMATION

Insider Trading Arrangements and Policies

On December 5, 2025, Daniel Rabinowitz, our chief legal officer, adopted a trading arrangement for the sale of shares of the Company's common stock intended to satisfy the affirmative defense of Rule 10b5-1(c) (a "Rule 10b5-1 Trading Plan") that provides for the sale of 61,600 shares of our common stock and the exercise of 5,598 stock options and sale of underlying shares of our common stock, pursuant to the terms of the plan between March 6, 2026 and December 5, 2027.

On December 10, 2025, Herm Rosenman, a member of our board of directors, adopted a Rule 10b5-1 Trading Plan that provides for the exercise of 16,530 stock options and sale of underlying shares of our common stock pursuant to the terms of the plan between March 11, 2026 and December 10, 2026.

On December 11, 2025, Matthew Rabinowitz, our co-founder and executive chairman, adopted a Rule 10b5-1 Trading Plan that provides for the sale of 200,000 shares of our common stock pursuant to the terms of the plan between March 12, 2026 and August 31, 2026.

On December 12, 2025, Rowan Chapman, a member of our board of directors, adopted a Rule 10b5-1 Trading Plan that provides for the sale of 3,221 shares of our common stock pursuant to the terms of the plan between March 13, 2026 and December 1, 2026.

On December 12, 2025, Jonathan Sheena, a member of our board of directors, adopted a Rule 10b5-1 Trading Plan that provides for the sale of 59,000 shares of our common stock pursuant to the terms of the plan between May 8, 2026 and June 21, 2027.

Equity Award Policy

On February 25, 2026, our board of directors approved and adopted the Natera, Inc. Equity Award Policy (the "Equity Award Policy"), which is effective as of January 1, 2026 (the "Effective Date"). Under the Equity Award Policy, upon the death of a grantee, (i) each time based equity award that is outstanding and unvested will become fully vested and (ii) each performance-based equity award that is outstanding and unvested will vest as to the proportion of the award that would vest based on the Company's actual performance (determined by the Company in its sole discretion) as of the end of the fiscal quarter occurring after the grantee's death, with the portion of the total award that vests being prorated based on the portion of the performance period that the grantee completes through the date of his or her death. The Equity Award Policy applies to all equity awards granted to the Company's officers, employees and non-employee directors before, on or after the Effective Date.

The foregoing description of the Equity Award Policy does not purport to be complete and is qualified in its entirety by reference to the full text of the Equity Award Policy, which is filed as Exhibit 10.17 to this Annual Report on Form 10-K and which is incorporated by reference herein.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be contained in our definitive proxy statement to be filed with the Securities and Exchange Commission in connection with our 2026 annual meeting of stockholders (the "Proxy Statement"), which we expect to file no later than 120 days after the end of our fiscal year ended December 31, 2025, and is incorporated in this report by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be contained in the Proxy Statement, which we expect to file no later than 120 days after the end of our fiscal year ended December 31, 2025, and is incorporated in this report by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be contained in the Proxy Statement, which we expect to file no later than 120 days after the end of our fiscal year ended December 31, 2025, and is incorporated in this report by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be contained in the Proxy Statement, which we expect to file no later than 120 days after the end of our fiscal year ended December 31, 2025, and is incorporated in this report by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item will be contained in the Proxy Statement, which we expect to file no later than 120 days after the end of our fiscal year ended December 31, 2025, and is incorporated in this report by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements (included in Part II of this report):

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets
- Consolidated Statements of Operations and Comprehensive Loss
- Consolidated Statements of Stockholders' Equity
- Consolidated Statements of Cash Flows
- Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

All financial statement schedules are omitted because the information is inapplicable or presented in the notes to the consolidated financial statements.

(b) The following exhibits are filed with or incorporated by reference as part of this Annual Report on Form 10-K:

INDEX TO EXHIBITS

		Incorporated by Reference				
Exhibit No.	**Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
3.1	Amended and Restated Certificate of Incorporation of Registrant.	8-K	001-37478	3.1	07/09/2015	
3.2	Amended and Restated Bylaws of Registrant, effective as of November 3, 2021	10-Q	001-37478	3.1	11/05/2021	
4.1	Form of Common Stock Certificate	S-1/A	333-204622	4.1	06/22/2015	
4.2	Amended and Restated Investors' Rights Agreement, dated November 20, 2014.	S-1	333-204622	4.2	06/01/2015	
4.3	Description of Common Stock	10-K	001-37478	4.3	02/26/2021	
10.1.1	UBS Credit Line Agreement, dated September 23, 2015, as amended.	10-Q	001-37478	10.2	11/13/2015	
10.1.2	Amendment to UBS Credit Line Agreement, dated July 5, 2017.	10-Q	001-37478	10.1	08/09/2017	
10.2.1*	Supply Agreement, dated September 18, 2014, by and between Registrant and Illumina, Inc., as amended (conformed copy).	S-1/A	333-204622	10.13	06/30/2015	
10.2.2*	Second Amendment to Supply Agreement, dated September 21, 2015, by and between Registrant and Illumina, Inc.	10-Q	001-37478	10.1	08/11/2016	
10.2.3*	Third Amendment to Supply Agreement, dated June 8, 2016, by and between Registrant and Illumina, Inc.	10-Q	001-37478	10.2	08/11/2016	
10.2.4*	Fourth Amendment to Supply Agreement, dated January 3, 2019, by and between Registrant and Illumina, Inc.	10-K	001-37478	10.8	03/15/2019	
10.2.5**	Fifth Amendment to Supply Agreement, dated December 18, 2019, by and between Registrant and Illumina, Inc.	10-K	001-37478	10.5.5	03/02/2020	
10.2.6**	Sixth Amendment to Supply Agreement, dated May 8, 2020, by and between Registrant and Illumina, Inc.	10-Q	001-37478	10.1	08/07/2020	
10.2.7**	Seventh Amendment to Supply Agreement, dated October 7, 2021, by and between the Registrant and Illumina, Inc.	10-Q	001-37478	10.1	11/05/2021	
10.2.8**	Eighth Amendment to Supply Agreement, dated December 31, 2023, by and between the Registrant and Illumina, Inc.	10-K	001-37478	10.2.8	02/29/2024	
10.2.9**	Ninth Amendment to Supply Agreement, dated March 11, 2024, by and between the Registrant and Illumina, Inc.	10-K	001-37478	10.2.9	02/28/2025	

		Incorporated by Reference				
Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.2.10**	Tenth Amendment to Supply Agreement, dated January 10, 2025, by and between the Registrant and Illumina, Inc.	10-K	001-37478	10.2.10	02/28/2025	
10.3.1*	Application Service Provider Agreement, dated September 19, 2014, by and between Registrant and DNAnexus, Inc., as amended	10-K	001-37478	10.11	03/16/2017	
10.3.2*	Third Amendment to Application Service Provider Agreement, dated January 1, 2018, by and between Registrant and DNAnexus, Inc.	10-Q	001-37478	10.1	11/09/2018	
10.3.3*	Fourth Amendment to Application Service Provider Agreement, dated July 1, 2018, by and between Registrant and DNAnexus, Inc.	10-Q	001-37478	10.2	11/09/2018	
10.3.4*	Fifth Amendment to Application Service Provider Agreement, dated October 18, 2019, by and between Registrant and DNAnexus, Inc.	10-Q	001-37478	10.2	11/08/2019	
10.4.1	Lease, dated October 26, 2015, by and between Registrant and BMR-201 Industrial Road LP.	10-K	001-37478	10.23	03/24/2016	
10.4.2	First Amendment to Lease, dated October 6, 2016, by and between Registrant and BMR-201 Industrial Road LP.	10-Q	001-37478	10.1	11/14/2016	
10.4.3	Second Amendment to Lease, dated January 26, 2021, by and between Registrant and BMR-201 Industrial Road LP.					X
10.4.4	Third Amendment to Lease, dated February 1, 2023, by and between Registrant and BMR-201 Industrial Road LP.					X
10.4.5	Fourth Amendment to Lease, dated April 11, 2023, by and between Registrant and BMR-201 Industrial Road LP.					X
10.4.6	Fifth Amendment to Lease, dated July 17, 2024, by and between Registrant and BMR-201 Industrial Road LP.					X
10.4.7	Sixth Amendment to Lease, dated October 31, 2025, by and between Registrant and BMR-201 Industrial Road LP.					X
10.5.1	Lease Agreement dated September 24, 2015, by and between NSTX, Inc. and Karlin McCallen Pass, LLC.	10-Q	001-37478	10.1	11/09/2022	

		Incorporated by Reference				
Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.5.2	First Amendment to Lease Agreement dated January 26, 2016, by and between NSTX, Inc. and Karlin McCallen Pass, LLC.	10-Q	001-37478	10.2	11/09/2022	
10.5.3	Second Amendment to Lease Agreement dated March 10, 2021, by and between NSTX, Inc. and KCP Parmer 3.2 Fee Owner, LLC.	10-Q	001-37478	10.3	11/09/2022	
10.5.4	Third Amendment to Lease Agreement dated December 29, 2021, by and between NSTX, Inc. and 13011 McCallen Pass, LLC.	10-Q	001-37478	10.4	11/09/2022	
10.6***	2007 Stock Plan and form of agreements thereunder.	S-1	333-204622	10.1	06/01/2015	
10.7.1***	Amended and Restated 2015 Equity Incentive Plan.	8-K	001-37478	10.1	06/18/2024	
10.7.2***	Amended and Restated 2015 Equity Incentive Plan.	8-K	001-37478	10.1	06/18/2025	
10.8***	2015 Employee Stock Purchase Plan.	S-1/A	333-204622	10.3	06/25/2015	
10.9	Form of Indemnification Agreement, by and between Registrant and each of its directors and executive officers.	10-K	001-37478	10.4	03/16/2017	
10.10***	Amended Compensation Program for Non-Employee Directors.	10-Q	001-37478	10.1	08/08/2025	
10.11***	Natera, Inc. Management Cash Incentive Plan.	10-Q	001-37478	10.3	11/13/2015	
10.12***	Executive Severance Plan	10-Q	001-37478	10.1	05/10/2024	
10.13***	Amended and Restated Employment Agreement, by and between Registrant and Matthew Rabinowitz, dated November 1, 2024.	10-K	001-37478	10.13	02/27/2025	
10.14***	Amended Employment Agreement, by and between Registrant and Jonathan Sheena, dated June 7, 2007.	S-1/A	333-204622	10.16	06/25/2015	
10.15***	Amended and Restated Employment Agreement, by and between Registrant and Steve Chapman, dated August 1, 2024.	10-Q	001-37478	10.1	08/09/2024	
10.16***	Amended Employment Agreement, by and between Registrant and Daniel Rabinowitz, dated June 7, 2007.	10-Q	001-37478	10.1	08/05/2022	
10.17***	Equity Award Policy.					X
19.1	Insider Trading Policy.	10-K	001-37478	19.1	02/27/2025	
21.1	List of Subsidiaries of the Registrant.	10-K	001-37478	21.1	03/16/2017	
23.1	Consent of Independent Registered Public Accounting Firm.					X
24.1	Power of Attorney (see signature page of this Annual Report on Form 10-K).					X

		Incorporated by Reference				
Exhibit No.	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2†	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1***	Natera, Inc. Policy for the Recovery of Erroneously Awarded Compensation.	10-K	001-37478	97.1	02/29/2024	
101.INS	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.					X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

* Portions of this exhibit (indicated by asterisks) have been omitted pursuant to an order granting confidential treatment. Omitted portions have been submitted separately to the Securities and Exchange Commission (SEC).

** Portions of this exhibit (indicated by asterisks) have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

*** Indicates a management contract or compensatory plan.

† The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Natera, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, regardless of any general incorporation language contained in any filing.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, State of Texas, on this 26th day of February 2026.

Natera, Inc.

/ s / Michael Brophy

Michael Brophy
Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Steve Chapman and Michael Brophy as his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Steve Chapman Steve Chapman	Chief Executive Officer, President and Director (Principal Executive Officer)	February 26, 2026
/s/ Michael Brophy Michael Brophy	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 26, 2026
/s/ Matthew Rabinowitz Matthew Rabinowitz	Executive Chairman	February 26, 2026
/s/ Jonathan Sheena Jonathan Sheena	Founder and Director	February 26, 2026
/s/ Roy Baynes Roy Baynes	Director	February 26, 2026
/s/ Monica Bertagnolli Monica Bertagnolli	Director	February 26, 2026
/s/ Roelof F. Botha Roelof Botha	Director	February 26, 2026
/s/ Rowan Chapman Rowan Chapman	Director	February 26, 2026
/s/ Gail Marcus Gail Marcus	Director	February 26, 2026
/s/ Herm Rosenman Herm Rosenman	Director	February 26, 2026
/s/ Ruth Williams-Brinkley Ruth Williams-Brinkley	Director	February 26, 2026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