

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2026

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-37894

**FULGENT GENETICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**4399 Santa Anita Avenue**  
**El Monte, CA**  
(Address of principal executive offices)

**81-2621304**  
(I.R.S. Employer  
Identification No.)

**91731**  
(Zip Code)

**(626) 350-0537**

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	FLGT	The Nasdaq Stock Market (Nasdaq Global Market)

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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of April 27, 2026, there were 28,400,623 outstanding shares of the registrant's common stock.

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**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

**FULGENT GENETICS, INC.**  
**Condensed Consolidated Balance Sheets**  
**(in thousands, except par value data)**

	March 31, 2026 (unaudited)	December 31, 2025
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 23,399	\$ 50,193
Marketable securities	252,903	285,884
Trade accounts receivable, net of allowance for credit losses of \$21,420 as of March 31, 2026, and \$21,411 as of December 31, 2025	69,277	84,762
Prepaid income taxes	109,165	107,099
Other current assets	24,298	22,552
Total current assets	479,042	550,490
Marketable securities, long-term	328,287	369,269
Fixed assets, net	116,344	112,549
In-process research & development	68,490	68,490
Other intangible assets, net	85,499	64,791
Goodwill	53,731	25,080
Other long-term assets	24,976	22,856
Total assets	\$ 1,156,369	\$ 1,213,525
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 21,125	\$ 18,654
Accrued liabilities	34,901	34,057
Customer deposit	30,619	28,145
Contract liabilities	3,007	3,635
Notes payable, current	482	476
Total current liabilities	90,134	84,967
Deferred tax liabilities	6,982	6,936
Unrecognized tax benefits	5,727	7,283
Other long-term liabilities	9,372	7,624
Total liabilities	112,215	106,810
<b>Commitments and Contingencies (Note 8)</b>		
Stockholders' equity		
Common stock, \$0.0001 par value per share, 50,000 shares authorized, 34,870 shares issued and 28,851 shares outstanding as of March 31, 2026, and 34,501 shares issued and 31,081 shares outstanding as of December 31, 2025	4	3
Preferred stock, \$0.0001 par value per share, 1,000 shares authorized, no shares issued or outstanding as of March 31, 2026, and December 31, 2025	—	—
Additional paid-in capital	540,141	574,520
Accumulated other comprehensive income	4,536	7,512
Retained earnings	505,128	529,954
Total Fulgent stockholders' equity	1,049,809	1,111,989
Noncontrolling interest	(5,655)	(5,274)
Total stockholders' equity	1,044,154	1,106,715
Total liabilities and stockholders' equity	\$ 1,156,369	\$ 1,213,525

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

**FULGENT GENETICS, INC.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Revenue	\$ 71,138	\$ 73,463
Cost of revenue	49,648	45,117
Gross profit	21,490	28,346
Operating expenses		
Research and development	14,176	12,395
Selling and marketing	12,221	8,465
General and administrative	27,684	25,291
Amortization of intangible assets	2,031	1,990
Total operating expenses	56,112	48,141
Operating loss	(34,622)	(19,795)
Other income (expenses)		
Interest income	8,651	8,018
Interest expense	(17)	(14)
Other income, net	10	68
Total other income, net	8,644	8,072
Loss before income taxes	(25,978)	(11,723)
(Benefit from) provision for income taxes	(704)	176
Net loss from consolidated operations	(25,274)	(11,899)
Net loss attributable to noncontrolling interests	448	369
Net loss attributable to Fulgent	\$ (24,826)	\$ (11,530)
Net loss per common share attributable to Fulgent		
Basic	\$ (0.80)	\$ (0.37)
Diluted	\$ (0.80)	\$ (0.37)
Weighted-average common shares:		
Basic	30,881	30,832
Diluted	30,881	30,832

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

**FULGENT GENETICS, INC.**  
**Condensed Consolidated Statements of Comprehensive Loss**  
(in thousands)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Net loss from consolidated operations</b>	\$ (25,274)	\$ (11,899)
<b>Other comprehensive income (loss):</b>		
Foreign currency translation income	240	109
Net (loss) gain on available-for-sale debt securities, net of tax	(3,149)	4,624
<b>Net comprehensive loss from consolidated operations</b>	(28,183)	(7,166)
Net loss attributable to noncontrolling interest	448	369
Foreign currency translation income attributable to noncontrolling interest	(67)	(30)
<b>Comprehensive loss attributable to noncontrolling interest</b>	381	339
<b>Comprehensive loss attributable to Fulgent</b>	\$ (27,802)	\$ (6,827)

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

**FULGENT GENETICS, INC.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
(in thousands)  
(unaudited)

	<u>Fulgent Stockholders' Equity</u>		Additional Paid-In Capital	Accumulat ed Other Comprehen sive (Loss) Income	Retained Earnings	Fulgent Stockholder s' Equity	Noncontrol ling Interest	Total Equity
	Shares (1)	Amount						
						1,111,98		
<b>Balance at December 31, 2025</b>	<b>31,081</b>	<b>\$ 3</b>	<b>\$ 574,520</b>	<b>\$ 7,512</b>	<b>\$ 529,954</b>	<b>\$ 9</b>	<b>\$ (5,274)</b>	<b>\$ 1,106,715</b>
Equity-based compensation	—	—	9,890	—	—	9,890	—	9,890
Exercise of common stock options	24	—	9	—	—	9	—	9
Restricted stock awards	540	1	—	—	—	1	—	1
Common stock withholding for employee tax obligations	(195)	—	(4,200)	—	—	(4,200)	—	(4,200)
Repurchase of common stock	(2,599)	—	(40,078)	—	—	(40,078)	—	(40,078)
Other comprehensive (loss) income, net	—	—	—	(2,976)	—	(2,976)	67	(2,909)
Net loss	—	—	—	—	(24,826)	(24,826)	(448)	(25,274)
						1,049,80		
<b>Balance at March 31, 2026</b>	<b>28,851</b>	<b>\$ 4</b>	<b>\$ 540,141</b>	<b>\$ 4,536</b>	<b>\$ 505,128</b>	<b>\$ 9</b>	<b>\$ (5,655)</b>	<b>\$ 1,044,154</b>

(1) The Company agreed to issue up to 292,682 shares of the Company's common stock in the acquisition of ANP Technologies, Inc., or ANP, upon achieving certain cash receipts. \$5.7 million represented the fair value of the shares on the ANP acquisition date (as defined below). As of March 31, 2026, and December 31, 2025, no common stock has been issued as the milestones have not been met. See details in Note 15. *Business Combinations*.

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

**FULGENT GENETICS, INC.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
(in thousands)  
(unaudited)

	<u>Fulgent Stockholders' Equity</u>		Additional Paid-In Capital	Accumulat ed Other Comprehen sive Income (Loss)	Retained Earnings	Fulgent Stockholder s' Equity	Noncontrol ling Interest	Total Equity
	Shares	Amount						
						1,133,22		
<b>Balance at December 31, 2024</b>	<b>30,841</b>	<b>\$ 3</b>	<b>\$ 543,126</b>	<b>\$ (368)</b>	<b>\$ 590,467</b>	<b>\$ 8</b>	<b>\$ (4,069)</b>	<b>\$ 1,129,159</b>
Equity-based compensation	—	—	10,550	—	—	10,550	—	10,550
Restricted stock awards	360	—	—	—	—	—	—	—
Common stock withholding for employee tax obligations	(111)	—	(1,887)	—	—	(1,887)	—	(1,887)
Repurchase of common stock	(469)	—	(7,886)	—	—	(7,886)	—	(7,886)
Other comprehensive income, net	—	—	—	4,703	—	4,703	30	4,733
Net loss	—	—	—	—	(11,530)	(11,530)	(369)	(11,899)
						1,127,17		
<b>Balance at March 31, 2025</b>	<b>30,621</b>	<b>\$ 3</b>	<b>\$ 543,903</b>	<b>\$ 4,335</b>	<b>\$ 578,937</b>	<b>\$ 8</b>	<b>\$ (4,408)</b>	<b>\$ 1,122,770</b>

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

**FULGENT GENETICS, INC.**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Cash flow from operating activities:</b>		
Net loss from consolidated operations	\$ (25,274)	\$ (11,899)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Equity-based compensation	9,890	10,550
Depreciation and amortization	6,000	5,919
Adjustment for credit losses	1,189	2,075
Noncash lease expense	352	350
Gain on disposal of fixed asset	(9)	(2)
Amortization of premium of marketable securities	(890)	(1,658)
Deferred taxes	(1,120)	(133)
Unrecognized tax benefits	199	137
Other	1	21
Changes in operating assets and liabilities:		
Trade accounts receivable	16,431	(4,524)
Income tax	(1,394)	1,761
Other current and long-term assets	2,791	804
Accounts payable	(408)	(658)
Contract liabilities	(627)	582
Customer deposits	2,470	83
Accrued liabilities and other liabilities	(2,123)	(7,485)
Operating lease liabilities	(381)	(354)
Net cash provided by (used in) operating activities	<u>7,097</u>	<u>(4,431)</u>
<b>Cash flow from investing activities:</b>		
Maturities of marketable securities	81,711	32,445
Proceeds from sale of fixed assets	8	2
Purchase of marketable securities	(10,011)	—
Purchases of fixed assets	(5,202)	(4,718)
Acquisition of businesses, net of cash	(55,567)	—
Net cash provided by investing activities	<u>10,939</u>	<u>27,729</u>
<b>Cash flow from financing activities:</b>		
Repurchase of common stock	(40,078)	(8,679)
Common stock withholding for employee tax obligations	(4,200)	(1,887)
Repayment of notes payable	(476)	(470)
Principal paid for finance lease	(88)	(136)
Proceeds from exercise of stock options	9	—
Net cash used in financing activities	<u>(44,833)</u>	<u>(11,172)</u>
Effect of exchange rate changes on cash and cash equivalents	3	11
<b>Net (decrease) increase in cash, cash equivalents, and restricted cash</b>	<u>(26,794)</u>	<u>12,137</u>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<u>50,328</u>	<u>55,279</u>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<u>\$ 23,534</u>	<u>\$ 67,416</u>
<b>Supplemental disclosures of cash flow information:</b>		
Income taxes paid, net of refunds received	\$ (551)	\$ (1,633)
Interest paid	\$ 44	\$ 61
<b>Supplemental disclosures of non-cash investing and financing activities:</b>		
Purchases of fixed assets in accounts payable	\$ 2,606	\$ 2,322
Acquisition of business in accrued liabilities	\$ 141	\$ —
Operating lease right-of-use assets obtained in exchange for lease liabilities	\$ 210	\$ —

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

**FULGENT GENETICS, INC.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(unaudited)**

**Note 1. Overview and Basis of Presentation**

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, and presented in U.S. dollars, or USD, the reporting currency of the Company. These financial statements include the assets, liabilities, revenues and expenses of all subsidiaries and entities in which the Company has a controlling financial interest or is deemed to be the primary beneficiary. In determining whether the Company is the primary beneficiary of an entity, the Company applies a qualitative approach that determines whether it has both (i) the power to direct the economically significant activities of the entity and (ii) the obligation to absorb losses of, or the right to receive benefits from, the entity that could potentially be significant to that entity. The Company uses the equity method to account for its investments in entities that it does not control, but in which it has the ability to exercise significant influence over operating and financial policies. All intercompany accounts and transactions are eliminated from the accompanying condensed consolidated financial statements.

***Nature of the Business***

Fulgent Genetics, Inc., together with its subsidiaries and affiliated professional corporations, or PCs (collectively referred to as the Company, unless otherwise noted or the context requires otherwise), is a technology-based company with a well-established laboratory services business and a therapeutic development business. Its laboratory services business includes technical laboratory and testing services and professional interpretation of laboratory results by licensed physicians. Its therapeutic development business is focused on developing product candidates for treating a broad range of cancers using a novel nanoencapsulation and targeted therapy platform designed to improve the therapeutic window and pharmacokinetic profile of new and existing cancer drugs. The Company aims to transform from a genomic diagnostic business into a fully integrated precision medicine company.

***Unaudited Interim Financial Information***

The accompanying unaudited interim condensed consolidated financial statements have been prepared on the same basis as the Company's audited consolidated financial statements as of and for the fiscal year ended December 31, 2025, which are included in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission, or SEC, on February 27, 2026, or the 2025 Annual Report, and, in the opinion of management, include all adjustments, which are normal and recurring in nature, necessary for a fair presentation of the Company's financial position and results of operations. Operating results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or any other period. The accompanying Condensed Consolidated Balance Sheet as of December 31, 2025, has been derived from the Company's audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP. As such, the information included in this quarterly report on Form 10-Q should be read in conjunction with the Company's audited consolidated financial statements included in the 2025 Annual Report, including the notes thereto.

**Note 2. Summary of Significant Accounting Policies**

See Note 2, *Summary of Significant Accounting Policies*, to the Company's Consolidated Financial Statements included in the 2025 Annual Report.

***Use of Estimates***

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting periods. These estimates, judgments and assumptions are based on historical data and experience available at the date of the accompanying condensed consolidated financial statements, as well as various other factors management believes to be reasonable under the circumstances. The Company's estimates and assumptions may evolve as conditions change. Actual results could differ significantly from these estimates.

On an on-going basis, management evaluates its estimates, primarily those related to: (i) revenue recognition criteria, (ii) accounts receivable and allowances for credit losses, (iii) the useful lives of fixed assets and intangible assets, (iv) estimates of tax liabilities, (v) valuation of goodwill and indefinite-lived intangible assets at time of acquisition and on a recurring basis, and (vi) valuation of investments.

### **Cash, Cash Equivalents, and Restricted Cash Shown in the Condensed Consolidated Statements of Cash Flows**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash in the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	(in thousands)	
Cash and cash equivalents	\$ 23,399	\$ 67,281
Restricted cash included in Other long-term assets	135	135
Total cash, cash equivalents, and restricted cash	<u>\$ 23,534</u>	<u>\$ 67,416</u>

### **Trade Accounts Receivable and Allowance for Credit Losses**

Trade accounts receivable are stated at the amount the Company expects to collect. The Company maintains an allowance for credit losses for expected uncollectible trade accounts receivable, which is recorded as an offset to trade accounts receivable, and changes in allowance for credit losses are classified as a general and administrative expense in the accompanying Condensed Consolidated Statements of Operations. The Company assesses collectability by reviewing trade accounts receivable on a collective basis where similar risk characteristics exist and on an individual basis when it identifies specific customers that have deterioration in credit quality such that they may no longer share similar risk characteristics with the other receivables. In determining the amount of the allowance for credit losses, the Company uses a loss rate model or probability-of-default and loss given default model. Following the loss rate method, expected credit losses are determined based on an estimated historical loss rate. The probability of default method allows the ability to define a point of default and measure credit losses for receivables that have reached the point of default for purposes of calculating the allowance for credit losses. Loss given default represents the likelihood that a receivable that has reached the point of default will not be collected in full. The Company updates its loss rate and factors quarterly to incorporate the most recent historical data and adjusts the quantitative portion of the reserve through its qualitative reserve overlay. The Company looks at qualitative factors such as current internal and external conditions as of the balance sheet date in determining expected credit losses.

A roll-forward of the activity in the Company's allowance for credit losses for the three months ended March 31, 2026, dollars in thousands, is as follows:

Allowance for credit losses at beginning of year	\$	21,411
Current period provision		1,189
Write-downs		(1,573)
Recoveries of amounts previously charged off		393
Allowance for credit losses as of March 31, 2026	<u>\$</u>	<u>21,420</u>

### **Business Combinations**

The Company uses the acquisition method of accounting and allocates the fair value of purchase consideration to the assets acquired and liabilities assumed from an acquiree based on their respective fair values as of the acquisition date. The excess of the fair value of purchase consideration over the fair value of these assets acquired and liabilities assumed is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing intangible assets include, but are not limited to, expected future cash flows, which includes consideration of future growth and margins, future changes in technology, expected cost and time to develop in-process research and development, brand awareness and discount rates. Fair value estimates are based on the assumptions that management believes a market participant would use in pricing the asset or liability

### **Finite-Lived Intangible Assets**

Intangible assets, unless determined to be indefinite-lived, are amortized over their estimated useful lives. The Company amortizes intangible assets with definite lives on a straight-line basis generally over periods ranging from 3 to 18 years. See Note 17, *Goodwill and Intangible Assets*, for details of intangible assets.

### ***Impairment of Long-Lived Assets***

The Company evaluates the carrying amount of its long-lived assets whenever events or changes in circumstances indicate that the assets may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of an asset and its eventual disposition are less than the carrying amount of the asset.

### ***Goodwill and Indefinite-Lived Intangibles***

In-process research & development, or IPR&D, costs are considered to be indefinite-lived until the completion or abandonment of the associated research and development efforts. If and when development is complete, the associated assets would be deemed finite-lived and would then be amortized based on their respective estimated useful lives at that point in time.

The Company assesses goodwill and indefinite-lived intangibles for impairment on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company may choose to bypass a qualitative assessment of impairment for any reporting unit and proceed directly to performing a quantitative assessment. An impairment loss would be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value.

If a quantitative assessment is deemed necessary, the quantitative assessment includes estimating the fair value of each reporting unit and comparing it to its carrying value. The Company estimates the fair value of reporting units using both income-based and market-based valuation methods and typically engages a third-party appraisal firm to assist with the valuation. If the estimated fair value of a reporting unit exceeds its carrying value, the goodwill is not impaired, and no further review is required.

The income-based fair value methodology is based on a reporting unit's forecasted future cash flows that are discounted to the present value using the reporting unit's weighted-average cost of capital. The income-based approach incorporates management's assumptions and judgments regarding economic conditions in the markets in which a company operates and conditions in the capital markets, many of which are outside of management's control. The market-based fair value methodology includes (i) the guideline public company valuation method, which analyzes the valuation multiples of comparable public companies, and (ii) the merger and acquisition method, which compares the market values of similar businesses, to estimate the value of the reporting units. Under the market-based approach, judgment is required in evaluating market multiples and recent transactions.

### ***Fair Value of Financial Instruments***

The Company's financial instruments consist principally of cash and cash equivalents, marketable securities, trade accounts receivable, restricted cash, a preferred stock investment, accounts payable, and accrued liabilities. The carrying amounts of certain of these financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to their short maturities. The fair value of marketable securities and the preferred stock investment is disclosed in Note 4, *Fair Value Measurements*, to the accompanying condensed consolidated financial statements.

### ***Concentrations of Credit Risk, Customers, and Suppliers***

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, trade accounts receivable, and marketable securities. As of March 31, 2026, substantially all of the Company's cash and cash equivalents were deposited in accounts at financial institutions, and amounts may exceed federally insured limits. Management believes that the Company is not exposed to significant credit risk due to the financial strength of the depository institutions in which its cash and cash equivalents are held.

In certain periods, a small number of customers or a single laboratory customer have accounted for a significant portion of the Company's revenue. For the laboratory services segment, when customers who, to our knowledge, are under common control or otherwise affiliated with each other are aggregated, one of our laboratory customers contributed \$10.4 million, or 15%, of total revenue in the three months ended March 31, 2026, and \$17.6 million, or 24%, of the Company's revenue in the three months ended March 31, 2025. The same laboratory customer was not a significant concentration for accounts receivable, net, as of March 31, 2026, but comprised 13% of total accounts receivable, net, as of December 31, 2025. Revenue from this same laboratory customer declined when compared to the prior year period, however it continued to represent a significant portion of the Company's revenue for the three months ended March 31, 2026. For this laboratory customer, and for our customers generally, tests are typically purchased on a test-by-test basis and not pursuant to any long-term purchasing arrangements. In the therapeutic development segment, revenue is an immaterial portion of the Company's total revenue as it does not yet have any commercialized or approved product candidates.

The Company relies on a limited number of suppliers for certain laboratory substances used in the chemical reactions incorporated into its processes, referred to as reagents, as well as for the sequencers and various other equipment and materials it uses in its laboratory operations. In particular, the Company relies on a sole supplier for the next generation sequencers and associated reagents it uses to perform its genetic tests and as the sole provider of maintenance and repair services for these sequencers. The Company's laboratory operations would be interrupted if it encountered delays or difficulties securing these reagents, sequencers, other equipment or materials or maintenance and repair services, which could occur for a variety of reasons, including if the Company needs a replacement or temporary substitute for any of its limited or sole suppliers and is not able to locate and make arrangements for an acceptable replacement or temporary substitute. The Company's development efforts could also be delayed or interrupted if it is unable to procure items needed for its therapeutic development activities. The Company believes there is currently a limited number of manufacturers that are capable of supplying and servicing some of the equipment and other materials necessary for its laboratory operations, including sequencers and various associated reagents.

### ***Reportable Segments and Geographic Information***

Reportable segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the Chief Operating Decision-Maker, or CODM, in making decisions regarding resource allocation and assessing performance. The Company's CODM is its Chief Executive Officer. The Company has two reportable segments, a laboratory services business and a therapeutic development business. For further financial information about these segments, including information for each of the periods presented regarding revenue, operating income (loss), and other important information, see Note 7, *Reportable Segment and Geographic Information*.

### ***Foreign Currency Translation and Foreign Currency Transactions***

The Company translates the assets and liabilities of its non-USD functional currency subsidiaries into USD using exchange rates in effect at the end of each period. Expenses for these subsidiaries are translated using rates that approximate those in effect during the period. These unrealized gains and losses are recognized in accumulated other comprehensive income in the equity section of the accompanying Condensed Consolidated Balance Sheets, and do not impact net income.

The Company and its subsidiaries that use the USD as their functional currency remeasure monetary assets and liabilities at exchange rates in effect at the end of each period. The carrying value of these monetary assets and liabilities will change with exchange rate fluctuations resulting in a foreign currency transaction gain or loss which is recognized in other income, net in the Condensed Consolidated Statements of Operations. Reagents and supplies, property, and other nonmonetary assets and liabilities are remeasured when the transaction is initially recognized using the historical rate that was in effect when the asset was acquired or liability was incurred. The carrying amounts do not change as a result of exchange rate fluctuations and no foreign currency transaction gain or loss is recognized. Gains and losses from foreign currency exchange were not significant for the three months ended March 31, 2026, and 2025.

### ***Income Taxes***

The effective tax rate used for interim periods is the estimated annual effective consolidated tax rate, based on the current estimate of full year results, except that taxes related to specific events, if any, are recorded in the interim period in which they occur. The annual effective tax rate is based upon several significant estimates and judgments, including the estimated annual pre-tax income (loss) of the Company in each tax jurisdiction in which it operates, and the development of tax planning strategies during the year. In addition, the Company's tax expense can be impacted by changes in tax rates or laws and other factors that cannot be predicted with certainty. As such, there can be significant volatility in interim tax provisions.

### ***Comprehensive (Loss) Income***

Comprehensive (loss) income is comprised of net (loss) income and other comprehensive (loss) income. Other comprehensive (loss) income consists of net unrealized gain or loss on available-for-sale debt securities, net of tax, and foreign currency translation adjustments from the Company's subsidiaries not using the USD as their functional currency. The tax expense of foreign currency translation income (loss) was zero for each of the three months ended March 31, 2026, and 2025.

Reclassifications from other comprehensive (loss) income to net loss, were zero in each of the three months ended March 31, 2026, and 2025. The tax effects related to net unrealized gain or loss on available-for-sale debt securities was zero in each of the three months ended March 31, 2026, and 2025, due to the valuation allowance in the current period that precludes the Company from recognizing the deferred tax benefit.

### **Disaggregation of Revenue**

The Company classifies its customers into three payor types: (i) Institutional, including hospitals, medical institutions, other laboratories, governmental bodies, and large corporations, (ii) Insurance, or (iii) Patients who pay directly, as the Company believes this best depicts how the nature, amount, timing, and uncertainty of its revenue and cash flows are affected by economic factors. The following table summarizes revenue from contracts with customers by payor type for the three months ended March 31, 2026, and 2025:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
<b>Revenue by payor</b>		
Institutional	\$ 40,933	\$ 41,324
Insurance	27,379	30,744
Patients	2,826	1,395
<b>Total revenue</b>	<b>\$ 71,138</b>	<b>\$ 73,463</b>

The Company estimates variable consideration using the expected value method. Any changes in variable consideration estimates that affect transactions are accounted for on a cumulative catch-up basis. Variable consideration adjustments in the three months ended March 31, 2026, and 2025 were not significant.

### **Contract Balances**

#### *Receivables from contracts with customers*

Receivables from contracts with customers are included within trade accounts receivable on the Condensed Consolidated Balance Sheets. Receivables from Insurance and Institutional customers represented 52% and 48%, respectively, as of March 31, 2026, and each represented 50% as of December 31, 2025.

#### *Contract assets and liabilities*

Contract liabilities are recorded when the Company receives payment prior to completing its obligation to transfer goods or services to a customer. Contract liabilities are included in the Condensed Consolidated Balance Sheets. Revenues of \$0.7 million and \$0.1 million were recognized for the three months ended March 31, 2026, and 2025, respectively, related to contract liabilities at the beginning of the respective periods. As of March 31, 2026, and December 31, 2025, the Company has no contract assets from contracts with customers associated with contract execution and certain costs to fulfill a contract.

### **Prior Period Reclassifications**

Certain amounts reported in the prior period have been reclassified to conform with the current period presentation. In the Condensed Consolidated Statement of Cash Flows, the Company has presented income taxes paid, net of refunds received, due to the prior adoption of ASU 2023-09, Income Taxes (Topic 740): *Improvement to Income Tax Disclosures*.

### **Recent Accounting Pronouncements**

The Company evaluates all Accounting Standards Updates, or ASUs, issued by the Financial Accounting Standards Board, or FASB, for consideration of their applicability. ASUs not included in the Company's disclosures were assessed and determined to be either not applicable or are not expected to have a material impact on the Company's condensed consolidated financial statements.

#### *Adopted*

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This update provides all entities with a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. Amendments in this update are effective for annual periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company adopted this ASU in the first quarter of 2026, and the impact is not material for the consolidated financial statements and related disclosures.

## Issued

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This update requires disclosure in the notes to financial statements of specified information about certain costs and expenses. Amendments in this update are effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impacts of this amendment on its consolidated financial statements and related disclosure.

In September 2025, the FASB issued ASU 2025-06, *Intangible—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This update simplifies the capitalization guidance by removing all references to software development project stages, so that the guidance is neutral to different software development methods. Amendments in this update are effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impacts of this amendment on its financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. This update clarifies the applicability of interim reporting guidance, provides a comprehensive list of required interim disclosures, and establishes a disclosure principle that requires disclosure of material events that occurred after the end of the last annual reporting period. Amendments in this update are effective for interim reporting periods within annual periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this amendment on its financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*. This update makes targeted amendments to various topics within the Accounting Standards Codification intended to clarify, correct errors, or make minor improvements to existing guidance. Amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact of this amendment on its financial statements and related disclosures.

The Company does not expect that any other recently issued accounting guidance will have a significant effect on its consolidated financial statements.

### Note 3. Equity and Debt Securities

The Company's equity and debt securities consisted of the following:

	March 31, 2026			Aggregate Fair Value
	Amortized Cost Basis	Unrealized Gains	Unrealized Losses	
(in thousands)				
<b>Equity securities</b>				
Long-term				
Preferred stock of privately-held companies	\$ 15,001	\$ —	\$ —	\$ 15,001
Total equity securities	15,001	—	—	15,001
<b>Available-for-sale debt securities</b>				
Short-term				
U.S. government debt securities	178,697	539	—	179,236
Corporate debt securities	40,744	98	(7)	40,835
U.S. agency debt securities	31,913	47	(3)	31,957
Yankee debt securities	500	—	(1)	499
Municipal bonds	375	1	—	376
Money market accounts	1,493	—	—	1,493
Less: Cash equivalents	(1,493)	—	—	(1,493)
Total debt securities due within 1 year	252,229	685	(11)	252,903
After 1 year through 5 years				
U.S. government debt securities	256,681	1,206	(758)	257,129
U.S. agency debt securities	70,587	37	(384)	70,240
Municipal bonds	920	1	(3)	918
Total debt securities due after 1 year through 5 years	328,188	1,244	(1,145)	328,287
Total available-for-sale debt securities	580,417	1,929	(1,156)	581,190
Total equity and debt securities	\$ 595,418	\$ 1,929	\$ (1,156)	\$ 596,191

	December 31, 2025			
	Amortized Cost Basis	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
(in thousands)				
<b>Equity securities</b>				
Long-term				
Preferred stock of privately-held companies	\$ 15,001	\$ —	\$ —	\$ 15,001
Total equity securities	15,001	—	—	15,001
<b>Available-for-sale debt securities</b>				
Short-term				
U.S. government debt securities	159,875	748	(1)	160,622
U.S. agency debt securities	86,786	133	(1)	86,918
Corporate debt securities	37,333	157	(16)	37,474
Yankee debt securities	500	—	(5)	495
Municipal bonds	375	—	—	375
Money market accounts	18,398	—	—	18,398
Less: Cash equivalents	(18,398)	—	—	(18,398)
Total debt securities due within 1 year	284,869	1,038	(23)	285,884
After 1 year through 5 years				
U.S. government debt securities	284,857	2,821	(67)	287,611
U.S. agency debt securities	70,567	123	(51)	70,639
Corporate debt securities	9,922	85	—	10,007
Municipal bonds	1,015	1	(4)	1,012
Total debt securities due after 1 year through 5 years	366,361	3,030	(122)	369,269
Total available-for-sale debt securities	651,230	4,068	(145)	655,153
Total equity and debt securities	\$ 666,231	\$ 4,068	\$ (145)	\$ 670,154

Gross unrealized losses on the Company's equity and debt securities were \$1.2 million and \$0.1 million as of March 31, 2026, and December 31, 2025, respectively. There were no sales of available-for-sale securities or realized gain or loss for the three months ended March 31, 2026. The cost of any marketable securities sold is based on the specific-identification method. The Company did not recognize any credit losses for its marketable available-for-sale debt securities during the three months ended March 31, 2026, and 2025.

#### Note 4. Fair Value Measurements

The authoritative guidance on fair value measurements establishes a framework with respect to measuring assets and liabilities at fair value on a recurring basis and non-recurring basis. Under the framework, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. The framework also establishes a three-tier hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability and are developed based on the best information available in the circumstances. The hierarchy consists of the following three levels:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable for the asset or liability.

The following tables present information about the Company's financial assets measured at fair value on a recurring basis, based on the three-tier fair value hierarchy:

	March 31, 2026			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
<b>Equity securities, debt securities and cash equivalents</b>				
U.S. government debt securities	\$ 436,365	\$ —	\$ 436,365	\$ —
U.S. agency debt securities	102,197	—	102,197	—
Corporate debt securities	40,835	—	40,835	—
Preferred stock of privately-held companies	15,001	—	—	15,001
Money market accounts	1,493	1,493	—	—
Municipal bonds	1,294	—	1,294	—
Yankee debt securities	499	—	499	—
<b>Total equity securities, debt securities and cash equivalents</b>	<b>\$ 597,684</b>	<b>\$ 1,493</b>	<b>\$ 581,190</b>	<b>\$ 15,001</b>

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
<b>Equity securities, debt securities and cash equivalents</b>				
U.S. government debt securities	\$ 448,233	\$ —	\$ 448,233	\$ —
U.S. agency debt securities	157,557	—	157,557	—
Corporate debt securities	47,481	—	47,481	—
Money market accounts	18,398	18,398	—	—
Preferred stock of privately-held companies	15,001	—	—	15,001
Municipal bonds	1,387	—	1,387	—
Yankee debt securities	495	—	495	—
<b>Total equity securities, debt securities and cash equivalents</b>	<b>\$ 688,552</b>	<b>\$ 18,398</b>	<b>\$ 655,153</b>	<b>\$ 15,001</b>

The Company's Level 1 assets include money market instruments and are valued based upon observable market prices. Level 2 assets consist of U.S. government and U.S. agency debt securities, municipal bonds, corporate debt securities and Yankee debt securities. Level 2 securities are valued based upon observable inputs that include reported trades, broker/dealer quotes, bids and offers.

As of March 31, 2026, and December 31, 2025, the Company held preferred stock of two privately-held companies, which were included in other long-term assets in the accompanying Condensed Consolidated Balance Sheets, that were measured using unobservable (Level 3) inputs. For the value of the investment in private equity securities, the Company elected to measure such investments at cost minus impairment, as the preferred stock of the privately-held companies did not have a readily determinable fair value. An impairment of \$9.9 million was recognized in 2025 related to Helio Genomics, Inc. There was no impairment loss recorded as of March 31, 2026, for the other preferred stock investment.

There were no transfers between fair value measurement levels during the three months ended March 31, 2026, and 2025.

**Note 5. Fixed Assets**

Major classes of fixed assets consisted of the following:

	Useful Lives	March 31, 2026	December 31, 2025
		(in thousands)	
Medical lab equipment	5 months to 13 Years	\$ 63,086	\$ 60,691
Building improvements	6 months to 39 Years	35,530	33,198
Building	25 to 39 Years	21,689	21,689
Computer hardware	1 to 5 Years	9,622	8,640
Aircraft	7 Years	6,400	6,400
Computer software	1 to 10 Years	6,308	6,300
Leasehold improvements	Shorter of lease term or estimated useful life	4,387	4,473
Furniture and fixtures	1 to 11 Years	4,425	4,128
Land improvements	5 to 15 Years	938	938
Automobile	3 to 7 Years	592	628
General equipment	5 Years	258	226
Land		17,347	17,347
Assets not yet placed in service		7,071	5,836
Total		177,653	170,494
Less: Accumulated depreciation		(61,309)	(57,945)
Fixed assets, net		\$ 116,344	\$ 112,549

Depreciation expense on fixed assets totaled \$3.9 million and \$3.8 million for the three months ended March 31, 2026, and 2025, respectively.

**Note 6. Other Significant Balance Sheet Accounts**

Other current assets consisted of the following:

	March 31, 2026	December 31, 2025
	(in thousands)	
Reagents and supplies	11,286	10,604
Prepaid expenses	5,783	5,100
Marketable securities interest receivable	5,384	5,714
Inventory	770	—
Other receivable	1,075	1,134
Total	\$ 24,298	\$ 22,552

Accrued liabilities consisted of the following:

	March 31, 2026	December 31, 2025
	(in thousands)	
Accrued legal liabilities	\$ 14,620	\$ 14,905
Payroll liabilities	7,294	4,383
Vacation accrual	6,204	5,236
Accrued bonus and commission	2,376	5,224
Operating lease liabilities - short term	1,932	1,462
Other accrued liabilities	2,475	2,847
Total	\$ 34,901	\$ 34,057

Accrued legal liabilities as of March 31, 2026 and December 31, 2025, included an accrual of \$14.5 million related to a professional liability matter, refer to Note 8, *Debt, Commitments and Contingencies*, for additional details. Other accrued liabilities also included short-term finance lease liabilities, health insurance liabilities, accrued property taxes, income tax payables, and third-party billing services.

Other long-term liabilities consisted of the following:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
	(in thousands)	
Operating lease liabilities, long term	\$ 6,008	\$ 3,781
Notes payable, long term	1,476	1,958
Other long-term liabilities	1,888	1,885
Total	<u>\$ 9,372</u>	<u>\$ 7,624</u>

#### Note 7. Reportable Segments and Geographic Information

The Company has two distinct reportable segments. The laboratory services operating segment offers technical laboratory and testing services and professional interpretation of laboratory results by licensed physicians who specialize in pathology and oncology. The therapeutic development operating segment is a pharmaceutical research and development entity.

The Company's Chief Executive Officer serves as its CODM. The CODM oversees the Company's operations and evaluates financial data for its two operating segments separately to make resource allocation decisions. The financial information regularly provided to the CODM includes various performance metrics by reportable segment, such as gross profit, operating income or loss, income or loss before income taxes, net income or loss from consolidated operations, and net income or loss attributable to Fulgent, all presented in accordance with U.S. GAAP. Although multiple financial metrics are provided, the CODM primarily relies on adjusted (non-GAAP) operating income or loss to evaluate segment performance and allocate resources. These adjusted metrics exclude the impact of equity-based compensation expenses, amortization of intangible assets, acquisition-related costs, and acquisition-related severance, if applicable as determined by management. Acquisition-related costs and acquisition-related severance are related to the acquisition of Bako (as defined below), which was closed on March 17, 2026, see Note 15. *Business Combinations* for additional details. The balance sheet is presented on a consolidated basis, as the CODM does not use asset or liability information, including fixed assets, to assess segment performance. As a result, segment asset and liability details are not disclosed.

The newly acquired entity, Bako, is considered part of the laboratory services segment as this acquisition was strategically undertaken to further strengthen the Company's laboratory services business by adding new products and services and further expand its national client base, national sales team, and team of expert pathologists. Consequently, Bako's operations are integrated into the laboratory services segment, with shared resources and collaborative efforts, and the CODM evaluates Bako's operations as part of the laboratory services segment's consolidated financial information. Therefore, Bako's financial results are grouped within the laboratory services segment's reporting.

There is no inter-segment allocation of interest expense and income taxes. There is no inter-segment revenue and operating income or loss. The Company did not allocate income tax by segment. Information regarding the Company's operations and assets for its reportable segments as well as geographic information are as follows, all dollars are in thousands:

	<u>Laboratory Services</u>	<u>Therapeutic Development</u>	<u>Total</u>
<b>Three Months Ended March 31, 2026</b>			
Revenue	\$ 71,051	\$ 87	\$ 71,138
Less:			
Adjusted cost of revenue	48,179	8	48,187
Adjusted research and development	6,461	4,178	10,639
Adjusted selling and marketing	11,576	—	11,576
Adjusted general and administrative	20,052	357	20,409
Total adjusted operating loss	<u>\$ (15,217)</u>	<u>\$ (4,456)</u>	<u>\$ (19,673)</u>

	Laboratory Services	Therapeutic Development	Total
<b>Three Months Ended March 31, 2025</b>			
Revenue	\$ 73,463	\$ —	\$ 73,463
Less:			
Adjusted cost of revenue	43,337	—	43,337
Adjusted research and development	4,931	3,990	8,921
Adjusted selling and marketing	7,575	—	7,575
Adjusted general and administrative	20,624	261	20,885
Total adjusted operating loss	<u>\$ (3,004)</u>	<u>\$ (4,251)</u>	<u>\$ (7,255)</u>

	Three Months Ended March 31,	
	2026	2025
<b>Reconciliation of “adjusted operating loss” to “loss before income taxes”</b>		
Adjusted operating loss	\$ (19,673)	\$ (7,255)
Less (add):		
Equity-based compensation	9,890	10,550
Acquisition-related costs	2,632	—
Acquisition-related severance	396	—
Amortization of intangible assets	2,031	1,990
Interest income	(8,651)	(8,018)
Interest expense	17	14
Other income, net	(10)	(68)
Total loss before income taxes	<u>\$ (25,978)</u>	<u>\$ (11,723)</u>

Significant items by segment excluded from the adjusted operating loss:

	Three Months Ended March 31,	
	2026	2025
<b>Equity-based compensation</b>		
Laboratory services	\$ 7,640	\$ 8,532
Therapeutic development	2,250	2,018
Total	<u>\$ 9,890</u>	<u>\$ 10,550</u>

Revenue by segment:

	Three Months Ended March 31,	
	2026	2025
<b>Laboratory services:</b>		
Precision diagnostics	\$ 40,238	\$ 44,097
Anatomic pathology	25,080	25,300
BioPharma services	5,733	4,066
Total laboratory services	71,051	73,463
<b>Therapeutic development:</b>		
BioPharma services	87	—
Total therapeutic development	87	—
Total	<u>\$ 71,138</u>	<u>\$ 73,463</u>

Depreciation and amortization by segment:

	Three Months Ended March 31,	
	2026	2025
Laboratory services	\$ 5,857	\$ 5,755
Therapeutic development	143	164
Total	<u>\$ 6,000</u>	<u>\$ 5,919</u>

Interest income and expense by segment:

	Three Months Ended March 31,	
	2026	2025
Laboratory services		
Interest income	\$ 8,651	\$ 8,018
Interest expense	(17)	(14)
Therapeutic development		
Interest income	—	—
Interest expense	—	—
<b>Total</b>	<b>\$ 8,634</b>	<b>\$ 8,004</b>

Total assets by segment:

	March 31, 2026	December 31, 2025
Laboratory services	\$ 1,047,231	\$ 1,096,379
Therapeutic development	109,138	117,146
<b>Total</b>	<b>\$ 1,156,369</b>	<b>\$ 1,213,525</b>

Geographic distribution of revenue:

	Three Months Ended March 31,	
	2026	2025
United States	\$ 65,106	\$ 67,826
Foreign		
China	2,559	2,611
Other countries	3,473	3,026
<b>Total foreign</b>	<b>6,032</b>	<b>5,637</b>
<b>Total</b>	<b>\$ 71,138</b>	<b>\$ 73,463</b>

Geographic distribution of property, plant and equipment, net:

	March 31, 2026	December 31, 2025
United States	\$ 110,188	\$ 106,250
Foreign		
China	4,605	4,692
Other countries	1,551	1,607
<b>Total foreign</b>	<b>6,156</b>	<b>6,299</b>
<b>Total</b>	<b>\$ 116,344</b>	<b>\$ 112,549</b>

## Note 8. Debt, Commitments, and Contingencies

### Debt

Notes payable as of March 31, 2026, consisted of \$2.0 million of notes payable related to an installment sale contract the Company entered into in February 2022 for a building. The notes payable related to the installment sale are due in February 2030, and the interest rate is 1.08%. The current portion and noncurrent portion are \$0.5 million and \$1.5 million, respectively, and the noncurrent portion is included in other long-term liabilities in the accompanying Condensed Consolidated Balance Sheets. The interest expense for the three months ended March 31, 2026, and 2025, was not significant.

### Operating and Finance Leases

See Note 9, *Leases*, for further information.

### Contingencies

From time to time, the Company may be subject to legal proceedings and claims arising in the ordinary course of business.

As previously disclosed in the Company's periodic reports filed pursuant to the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Company has received a Civil Investigative Demand, or CID, issued by the U.S. Department of Justice, or the DOJ, pursuant to the False Claims Act related to its investigation of allegations of medically unnecessary laboratory testing.

improper billing for laboratory testing, and remuneration received or provided in violation of the Anti-Kickback Statute and the Stark Law. Among other things, this CID requests information and records relating to certain of the Company's customers named in this CID. Certain of the Company's executive officers and employees have also received CIDs relating to these matters.

Similar to other laboratories in the industry, the Company responded to an audit inquiry by the U.S. Health Resources and Services Administration, or HRSA, with respect to its reimbursement for COVID-19 tests furnished to patients believed to be uninsured. The Company recorded approximately \$548.9 million of reimbursements from HRSA under the Uninsured Program during the years ended December 31, 2022, 2021, and 2020. There is uncertainty with respect to the methodology HRSA will use in its audit and whether and how HRSA will extrapolate audit results. The Company has provided HRSA's auditors with requested information in connection with its audit in an effort to resolve any issues related to its audit, including any reimbursed amounts that may need to be returned to HRSA. As of the date of this quarterly report, the Company has not received any final audit results from HRSA for this audit. The Company has not received any further requests for information in connection with this audit from HRSA. The Company has also received a CID issued by the DOJ pursuant to the False Claims Act related to the DOJ's investigation as to whether the Company submitted or caused to be submitted false claims to the Uninsured Program.

As is typical for companies seeking reimbursement from government payors, from time to time the Company is named as a defendant in claims pursuant to the qui tam provisions of the False Claims Act and comparable state laws. Often, these proceedings remain under seal such that the Company does not have access to the specific information included in them. Seals often remain in place for extended periods of time while the U.S. government, or applicable regulatory authority, decides whether to intervene on behalf of the qui tam plaintiff. As a result, the Company may not be aware of all qui tam claims that have been filed against the Company. In or around February 2026, the U.S. District Court for the Central District of California unsealed a qui tam complaint (and certain related proceedings) filed against Fulgent Genetics, Inc. and Fulgent Therapeutics LLC by a qui tam plaintiff (known as a relator) on behalf of the United States. This complaint alleged that the Company filed false claims for reimbursement for COVID-19 tests in violation of the False Claims Act. The complaint was subsequently dismissed without prejudice as to the relator and the U.S. government following the U.S. government's filing of a motion to dismiss, meaning the relator and the U.S. government retained the right to refile and may refile under seal.

The Company is fully cooperating with the DOJ in connection with the CIDs that it, or its employees, have received. The Company cannot currently predict when these CIDs and HRSA audit matters will be resolved, the reasonable or likely outcome of these matters, or their potential impact, which may materially and adversely affect the Company's business, prospects, and financial condition. Discussions and investigations remain ongoing. As such, the Company cannot reasonably estimate the loss or range of loss, if any, that may result from any material government investigations, audits, claims, and reviews in which it is currently involved, given the inherent difficulty in predicting regulatory action, fines and penalties, if any, and the various remedies and levels of judicial review available to the Company in the event of an adverse finding. As a result, the Company has not recorded any liability related to these CIDs or audit matters.

From time to time, the Company, like other laboratories in its industry, is subject to claims and allegations relating to professional liability. The Company accrued \$14.5 million in connection with the settlement of a professional liability matter, which was included in accrued legal liabilities and general and administrative expense in the 2025 Annual Report. The Company maintains professional liability insurance that has provided partial coverage for this matter, subject to customary retentions, exclusions, and limits.

## **Note 9. Leases**

### ***Lessee***

The Company is a lessee to various non-cancelable operating leases with varying terms through March 2034, primarily for laboratory and office space and equipment. The Company has options to renew some of these leases after their expiration. On a lease-by-lease basis, the Company considers such options, which may be elected at the Company's sole discretion, in determining the lease term. The Company also has various finance leases for lab equipment with varying terms through December 2026, some of which were acquired in business combinations. The Company does not have any leases with variable lease payments. The Company's operating lease agreements do not contain any residual value guarantees, material restrictive covenants, bargain purchase options, or asset retirement obligations.

The operating and finance lease right-of-use asset, or ROU asset, short-term lease liabilities, and long-term lease liabilities as of March 31, 2026, and December 31, 2025, were as follows:

	March 31, 2026	December 31, 2025
	(in thousands)	
Operating lease ROU asset, net	\$ 7,687	\$ 4,961
Operating lease liabilities, short term	\$ 1,932	\$ 1,462
Operating lease liabilities, long term	\$ 6,008	\$ 3,781
Finance lease ROU asset, net	\$ 254	\$ 339
Finance lease liabilities, short term	\$ 271	\$ 360
Finance lease liabilities, long term	\$ —	\$ —

The following was operating and finance lease expense:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Operating lease cost	\$ 723	\$ 435
Finance lease cost:		
Amortization of ROU assets	85	132
Interest on lease liabilities	3	6
Short-term lease cost	468	561
Total lease cost	\$ 1,279	\$ 1,134

Supplemental information related to leases was the following:

	March 31, 2026
Weighted-average remaining lease term, operating leases	5.37
Weighted-average discount rate, operating leases	6.10%
Weighted-average remaining lease term, finance lease	0.75
Weighted-average discount rate, finance lease	3.21%

The following is a maturity analysis of operating and finance lease liabilities using undiscounted cash flows on an annual basis with renewal periods included:

	Operating Leases	Finance Lease
	(in thousands)	
Year ending December 31,		
2026 (remaining 9 months)	1,826	275
2027	1,938	—
2028	1,228	—
2029	1,063	—
2030	1,071	—
2031	1,081	—
Thereafter	1,258	—
Total lease payments	9,465	275
Less imputed interest	(1,525)	(4)
Total	\$ 7,940	\$ 271

**Note 10. Equity-Based Compensation**

The Company has included equity-based compensation expense as part of cost of revenue and operating expenses in the accompanying Condensed Consolidated Statements of Operations as follows:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Cost of revenue	\$ 1,461	\$ 1,780
Research and development	3,537	3,474
Selling and marketing	645	890
General and administrative	4,247	4,406
Total	<u>\$ 9,890</u>	<u>\$ 10,550</u>

**Note 11. Income Taxes**

The effective tax rate used for interim periods is the estimated annual effective consolidated tax rate, based on the current estimate of full year results, except that taxes related to specific events, if any, are recorded in the interim period in which they occur. The annual effective tax rate is based upon several significant estimates and judgments, including the estimated annual pre-tax income of the Company in each tax jurisdiction in which it operates, and the development of tax planning strategies during the year. In addition, the Company's tax expense can be impacted by changes in tax rates or laws and other factors that cannot be predicted with certainty. As such, there can be significant volatility in interim tax provisions.

The Company recorded consolidated expense for (benefit from) income taxes of \$(0.7) million and \$0.2 million for the three months ended March 31, 2026, and 2025, respectively. The Company's effective tax rate was 3% for the three months ended March 31, 2026, compared to (2)% for the three months ended March 31, 2025. The change in the effective tax rate compared to prior periods was primarily driven by a one-time tax benefit resulting from an acquisition completed during the quarter, which allowed the Company to recognize a portion of the tax benefit from its net operating losses that had previously been reserved.

The Company is under examination by certain tax authorities for the 2020 to 2021 and 2023 tax years. While the timing of the conclusion of the examination is uncertain, the Company believes that adequate amounts have been reserved for adjustments that may result. During 2026, the statutes of limitations will lapse on the Company's 2022 federal tax year and certain 2021 and 2022 state tax years. The Company does not believe the federal or state statute lapses or any other event will significantly impact the balance of unrecognized tax benefits in the next 12 months.

As of March 31, 2026, the Company has not yet received the \$106.1 million related to the carryback of Investment Tax Credits to the 2021 and 2022 tax years. In connection with the delayed refunds, the Company has accrued \$2.2 million of estimated overpayment interest receivable from the Internal Revenue Service through the first quarter of 2026, which is recorded in interest income. The Company continues to monitor the status of its refund claim.

**Note 12. Loss per Share**

The following is a reconciliation of the basic and diluted loss per share computations for the three months ended March 31, 2026, and 2025:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Net loss attributable to Fulgent	\$ (24,826)	\$ (11,530)
Weighted-average common shares - outstanding, basic	30,881	30,832
Weighted-average common shares - outstanding, diluted	30,881	30,832
Loss per share:		
Basic	\$ (0.80)	\$ (0.37)
Diluted	\$ (0.80)	\$ (0.37)

The following securities have been excluded from the calculation of diluted loss per share because their effect would have been anti-dilutive:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Stock options	73	95
Restricted stock units	2,364	2,340
Contingently issuable shares	293	—

The anti-dilutive shares described above were calculated using the treasury stock method. In the three months ended March 31, 2026, and 2025, the Company had outstanding stock options and restricted stock units that were excluded from the weighted-average share calculation for continuing operations due to the Company's net loss positions.

In the three months ended March 31, 2026, the Company also had contingently issuable shares for contingent consideration to the acquisition of ANP that were excluded from the weighted-average share calculation for continuing operations due to the Company's net loss positions. The milestones have not been satisfied as of March 31, 2026, thus, nothing was included in dilutive shares.

**Note 13. Retirement Plans**

The Company offers a 401(k) retirement savings plan, or the 401(k) Plan, for its employees, including its executive officers, who satisfy certain eligibility requirements. The Internal Revenue Code of 1986, as amended, allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) Plan. The Company matches contributions to the 401(k) Plan based on the amount of salary deferral contributions the participant makes to the 401(k) Plan. The Company will match up to 4% of an employee's compensation that the employee contributes to their 401(k) Plan account. Total Company matching contributions to the 401(k) Plan were \$1.3 million and \$1.2 million for the three months ended March 31, 2026, and 2025, respectively.

**Note 14. Related Party**

Prior to April 25, 2025, Ming Hsieh, the Chief Executive Officer and Chairperson of the board of directors, was on the board of directors and an approximately 20% owner of ANP, with which the Company entered into certain drug-related licensing and development service agreements.

The President and Chief Scientific Officer of Fulgent Pharma, Ray Yin, is the Founder, President, and Chief Technology Officer of ANP. The Company incurred \$0.4 million related to the licensing and development services and the purchase of equipment in the three months ended March 31, 2025. The Company also entered into an employee service agreement with ANP in April 2023, an insignificant amount was recognized in revenue in the three months ended March 31, 2025.

## Note 15. Business Combinations

### *Bako Business Combination*

On March 17, 2026, or the Bako acquisition date, Inform Diagnostics, Inc., a wholly owned subsidiary of the Company, completed an acquisition of substantially all of the assets and certain specified liabilities of Bako Diagnostics, a premier pathology laboratory, and 100% of the issued and outstanding equity of StrataDx, a premier dermatopathology laboratory. Under the terms of the asset purchase agreement, as well as the purchase and sale agreement, both dated December 20, 2025, the total purchase price was approximately \$55.7 million, net of cash received. These acquisitions, or collectively, the Bako Acquisition, enable the Company to further strengthen its laboratory services business by adding new products and services and further expand its national client base, national sales team, and team of expert pathologists.

The financial results of the Bako Acquisition are included in the condensed consolidated financial statements from the date of acquisition.

The Company accounted for the acquisitions as a business combination under Accounting Standards Codification Topic 805, *Business Combinations*, or “ASC 805.” Accordingly, the total consideration transferred has been allocated to the tangible assets and identified intangible assets acquired and liabilities assumed based on their estimated fair values as of the Bako acquisition date. The excess of the consideration transferred over the fair value of net identifiable assets acquired has been recognized as goodwill. The purchase price allocation is preliminary and remains subject to change, primarily with respect to deferred taxes. As additional information becomes available — including the filing and finalization of federal and state tax returns for periods prior to the Bako acquisition date, and the resolution of other post-closing matters — the Company may further update the preliminary purchase price allocation during the remainder of the measurement period (up to one year from the Bako acquisition date). If measurement period adjustments are identified, the Company will adjust the provisional amounts, with a corresponding adjustment to goodwill, as if the accounting had been completed at the Bako acquisition date. The Company will revise comparative information for prior periods presented in its financial statements to reflect measurement period adjustments.

The following tables summarize the consideration and the amounts of the assets acquired and liabilities assumed recognized at the Bako acquisition date:

	<u>Amounts</u> <u>(in thousands)</u>
Considerations	
Cash paid	\$ 56,111
Considerations not paid yet (in accrued liabilities)	141
Total considerations	<u>\$ 56,252</u>
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	\$ 544
Trade accounts receivable	2,090
Inventory	1,561
Prepaid expenses	2,353
Fixed assets	1,459
ROU assets - operating	2,839
Other long-term assets	25
Identifiable intangible assets	22,700
Accounts payable	(1,952)
Accrued liabilities	(2,741)
Operating lease liabilities	(2,839)
Deferred tax liabilities	(1,166)
Recognized amounts of identifiable assets acquired and liabilities assumed, net	<u>24,873</u>
Goodwill	31,379
Total	<u>\$ 56,252</u>

The goodwill of \$31.4 million arising from the acquisition is attributed to the expected synergies, assembled workforce, and other benefits that will potentially be generated from the business combination along with deferred tax. The goodwill recognized is not deductible for tax purposes.

The identified intangible assets acquired consisted of \$22.0 million customer relationships with an estimated amortization life of ten years and \$0.7 million trade name with an estimated amortization life of three years.

The fair value of the customer relationship was estimated using the Multiperiod Excess Earnings Method, or MPEEM, of the income approach. Under the MPEEM, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows attributable only to the subject intangible asset after deducting contributory asset charges. The incremental after-tax cash flows attributable to the customer relationships are then discounted to their present value at a risk-adjusted rate of return. The fair value of the trade name was estimated using the relief from royalty, or RFR, method. The RFR method estimates the portion of the Company's earnings attributable to an intangible asset based on the royalty rate the Company would have paid for the use of the asset if it did not own it. The customer relationships and trade name are amortized on a straight-line basis over their estimated useful lives.

The revenue and net loss of the acquiree since the Bako acquisition date are \$2.6 million and \$1.0 million, respectively, which are included in the accompanying Condensed Consolidated Statements of Operations.

The acquisition-related costs associated with the acquisition of Bako consisted primarily of legal, regulatory and financial advisory fees of approximately \$2.6 million for the three months ended March 31, 2026 and \$1.5 million incurred in the fourth quarter of 2025. These acquisition-related costs were expensed as incurred as general and administrative expenses.

### Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information presents the combined results of operations of Fulgent and Bako as if the acquisition had been completed on January 1, 2025. The unaudited pro forma financial information is not necessarily indicative of future operating results or the financial position that would have occurred had the acquisition been consummated on that date.

The unaudited pro forma financial information does not reflect any cost savings, operating synergies, or revenue enhancements that the combined company may achieve as a result of the acquisition, the costs to integrate the operations of Fulgent and Bako, or the costs necessary to achieve those cost savings, operating synergies, and revenue enhancements.

The unaudited pro forma net loss attributable to Fulgent has been adjusted for the following non-recurring and acquisition-related items:

*Acquisition-related costs* – Acquisition-related costs incurred by both Fulgent and Bako, totaling \$2.8 million for the three months ended March 31, 2026, have been excluded from pro forma net loss as these costs are directly attributable to the acquisition and are non-recurring in nature. Such costs include investment banker fees, legal fees, due diligence expenses, and third-party valuation fees.

*Transaction bonus and acquisition-related severance costs* – A transaction bonus of \$3.6 million paid by Bako and a separation payment of \$0.4 million paid to a former officer of Bako by the combined entity have been excluded from pro forma net loss for the three months ended March 31, 2026, as those obligations arose directly from the change-in-control provisions of Bako's pre-existing employment agreements and is non-recurring.

*Financing costs* – Financing costs incurred by Bako associated with indebtedness that was repaid in connection with the acquisition totaling \$1.3 million and \$1.5 million for the three months ended March 31, 2026, and 2025, respectively, have been excluded from pro forma net loss. These costs are non-recurring as the underlying debt was extinguished on the Bako acquisition date.

*Fair value adjustments* – Adjustments of \$0.2 million and \$2.0 million for the three months ended March 31, 2026, and 2025, respectively, reflect the adjusted amortization of acquired intangible assets and depreciation on property and equipment recognized at fair value in connection with the purchase price allocation, as required under ASC 805.

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(in thousands, except per share data)</b>	
Revenue	\$ 84,624	\$ 90,612
Net loss attributable to Fulgent	\$ (24,510)	\$ (13,686)
Basic loss per common share attributable to Fulgent	\$ (0.79)	\$ (0.44)
Diluted loss per common share attributable to Fulgent	\$ (0.79)	\$ (0.44)

## ANP Technologies, Inc.

On July 9, 2025, or the ANP acquisition date, the Company completed an acquisition of 100% of the outstanding equity of ANP, an innovation-driven company, which has developed multiple proprietary product platforms. The acquisition was structured as a combination of cash and stock, net of cash received. This acquisition enables the Company to secure ownership of the patents previously licensed from ANP, which are currently utilized in ongoing clinical studies. By securing full ownership of these intellectual property rights, the Company aims to enhance its control over the development and commercialization of related therapeutic candidates, thereby aligning with its strategic objectives to advance clinical programs.

The financial results of ANP are included in the consolidated financial statements from the date of acquisition.

During the three months ended March 31, 2026, the Company finalized the federal and state income tax returns for ANP for periods prior to the ANP acquisition date. As a result of this finalization, the Company identified a measurement period adjustment resulting in a decrease to deferred tax liabilities of \$2.7 million, with a corresponding decrease to goodwill of \$2.7 million. This adjustment is reflected retrospectively as of the ANP acquisition date in accordance with ASC 805. The adjustment had no impact on the Company's consolidated statements of operations for the three months ended March 31, 2026.

The following table summarizes the updated and finalized purchase price allocation:

	As Previously Reported	Measurement Period Adjustment (in thousands)	As Revised
<b>Considerations</b>			
Cash paid	\$ 14,322	—	\$ 14,322
Cash held back	1,887	—	1,887
Settlement of pre-existing accounts payable	(290)	—	(290)
Contingent consideration	5,731	—	5,731
Total considerations	<u>\$ 21,650</u>	<u>\$ —</u>	<u>\$ 21,650</u>
<b>Recognized amounts of identifiable assets acquired and liabilities assumed</b>			
Cash and cash equivalents	\$ 18,097	—	\$ 18,097
Trade accounts receivable	7	—	7
Other current assets	97	—	97
ROU assets - operating	612	—	612
Other long-term assets	15	—	15
Identifiable intangible assets	6,200	—	6,200
Accounts payable	(75)	—	(75)
Accrued liabilities	(591)	—	(591)
Operating lease liabilities	(612)	—	(612)
Income tax payable	(1,562)	—	(1,562)
Other long-term liabilities	(3,563)	2,728	(835)
Recognized amounts of identifiable assets acquired and liabilities assumed, net	18,625	2,728	21,353
Goodwill	3,025	(2,728)	297
Total	<u>\$ 21,650</u>	<u>\$ —</u>	<u>\$ 21,650</u>

The acquisition includes a contingent consideration arrangement that requires the Company to issue up to 292,682 shares of the Company's common stock to the sellers of ANP upon ANP's achievement of certain minimum levels of cash receipts over the next two years. The contingent consideration is classified as equity, and the fair value of \$5.7 million was calculated based on the stock price of the Company's common stock on the ANP acquisition date. The fair value of the contingent consideration does not need to be remeasured, as the subsequent settlement will be accounted for as equity.

The merger agreement, as amended, called for the Company to hold back \$1.9 million to serve as collateral for indemnification of the equity holders. \$1.0 million of the holdback will be released to the sellers of ANP after the initial survival date (three years after closing), and the remaining amount is to be released four years after the closing date.

The goodwill of \$0.3 million arising from the acquisition is attributed to the expected synergies, assembled workforce, and other benefits that will potentially be generated from the business combination along with deferred tax. The goodwill recognized is not

deductible for tax purposes.

The identified intangible assets acquired consisted of \$3.9 million IPR&D, which is an indefinite-lived asset and as such is not amortized, and \$2.3 million customer relationships with an estimated amortization life of 18 years.

The fair value of the IPR&D was estimated using the cost to recreate method of the cost approach. The cost to recreate method estimates the expense to the Company if the intangible assets were to be recreated. The fair value of the customer relationships was estimated using the MPEEM under the income approach. Under the MPEEM, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows attributable only to the subject intangible asset after deducting contributory asset charges. The incremental after-tax cash flows attributable to the customer contract are then discounted to their present value at a risk-adjusted rate of return. The useful lives of the intangible assets for amortization purposes were determined by considering the period of expected cash flows used to measure the fair values of the intangible assets adjusted as appropriate for entity-specific factors including legal, regulatory, contractual, competitive, economic and other factors that may limit the useful life. The customer relationships are amortized on a straight-line basis over the estimated useful lives.

#### Note 16. Stock Repurchase Program

In March 2022, the Company's board of directors authorized a \$250.0 million stock repurchase program. Under the stock repurchase program, the Company may repurchase shares from time to time in the open market or in privately negotiated transactions. The stock repurchase program has no expiration from the date of authorization.

During the three months ended March 31, 2026, the Company repurchased 2.6 million shares of its common stock at an aggregate cost of \$40.1 million under the stock repurchase program. During the three months ended March 31, 2025, the Company repurchased 0.5 million shares of its common stock at an aggregate cost of \$7.9 million under the stock repurchase program. As of March 31, 2026, a total of approximately \$99.6 million remained available for future repurchases of its common stock under the stock repurchase program.

#### Note 17. Goodwill and Intangible Assets

The Company has identified its laboratory services business and its therapeutic development business as its two operating segments, and the Company determined that the operating segments represented the two reporting units. The Company tests for goodwill impairment at the reporting unit level on December 31st of each year and more frequently if events or circumstances indicate a potential impairment.

The changes in the carrying amount of goodwill in the three months ended March 31, 2026 were as follows:

	Laboratory Services	Therapeutic Development
	(in thousands)	
Balance at December 31, 2025	\$ —	\$ 25,080
Acquisition	31,379	—
Measurement period adjustment	—	(2,728)
Balance at March 31, 2026	<u>\$ 31,379</u>	<u>\$ 22,352</u>

##### Laboratory Services

The change in goodwill for the laboratory services segment reflects goodwill arising from the Bako Acquisition. The newly acquired entity, Bako, is considered part of the laboratory services segment. See Note 15, *Business Combinations*, for further details.

The Company engaged a third-party valuation company for the valuation of the goodwill and intangible assets associated with the acquisition of Bako on the Bako acquisition date. There is no indication of a potential impairment for the Company's goodwill and intangible assets; thus, no quantitative assessment was performed.

##### Therapeutic Development

The decrease in goodwill for the therapeutic development segment reflects a measurement period adjustment related to the ANP acquisition, resulting from the finalization of deferred tax liabilities. See Note 15, *Business Combinations*, for further details.

Based upon the results of the qualitative assessments the Company performed as of December 31, 2025, the Company concluded that the fair values of the therapeutic development reporting unit and the IPR&D asset at December 31, 2025, were greater than the carrying values and that there was no impairment. The Company evaluated whether any events or changes in circumstances occurred during the three months ended March 31, 2026, that would indicate it is more likely than not that the fair value of any reporting unit or indefinite-lived intangible asset has declined below its carrying amount. Based on this evaluation, no triggering events were identified and no interim impairment test was required.

There can be no assurance that the estimates and assumptions management made for the purposes of the goodwill or IPR&D impairment analysis will prove to be accurate predictions of future performance. It is possible that the conclusions regarding impairment or recoverability of goodwill or intangible assets could change in future periods. Management will continue to monitor the therapeutic development reporting unit. For all IPR&D projects, there are major risks and uncertainties associated with the timely and successful completion of development and commercialization of these product candidates, including the ability to confirm their efficacy based on data from clinical trials, the ability to obtain necessary regulatory approvals, and the ability to successfully complete these tasks within budgeted costs. The Company is not able to market a human therapeutic without obtaining regulatory approvals, and such approvals require completing clinical trials that demonstrate a product candidate is safe and effective. In addition, the availability and extent of coverage and reimbursement from insurance payors, including government healthcare programs and private

insurance plans, impact the revenues a product can generate. Consequently, the eventual realized value, if any, of these acquired IPR&D projects may vary from their estimated fair values.

Summaries of intangible assets balances as of March 31, 2026, and December 31, 2025, were as follows:

	Weighted-Average Amortization Period	March 31, 2026	December 31, 2025
(in thousands)			
<b>Laboratory Services</b>			
Customer relationships	12 Years	\$ 105,150	\$ 83,135
Less: accumulated amortization		(27,278)	(25,633)
Customer relationships, net		77,872	57,502
Royalty-free technology	10 Years	5,364	5,291
Less: accumulated amortization		(2,637)	(2,469)
Royalty-free technology, net		2,727	2,822
Trade name	7 Years	4,490	3,790
Less: accumulated amortization		(2,019)	(1,896)
Trade name, net		2,471	1,894
Laboratory information system platform	5 Years	1,860	1,860
Less: accumulated amortization		(1,736)	(1,643)
Laboratory information system platform, net		124	217
In-place lease intangible assets	5 Years	360	360
Less: accumulated amortization		(273)	(255)
In-place lease intangible assets, net		87	105
Purchased patent	10 Years	29	29
Less: accumulated amortization		(15)	(14)
Purchased patent, net		14	15
<b>Total</b>		<b>83,295</b>	<b>62,555</b>
<b>Therapeutic Development</b>			
Customer relationships	18 Years	2,300	2,300
Less: accumulated amortization		(96)	(64)
Customer relationships, net		2,204	2,236
In-process research & development	n/a	68,490	68,490
<b>Total</b>		<b>70,694</b>	<b>70,726</b>
<b>Total intangible assets, net</b>		<b>\$ 153,989</b>	<b>\$ 133,281</b>

Acquisition-related intangibles included in the above tables are generally finite-lived and are carried at cost less accumulated amortization, except for IPR&D, which is related to the acquisitions of Fulgent Pharma in 2022 and ANP in 2025, and has an indefinite life until research and development efforts are completed or abandoned. All other finite-lived acquisition-related intangibles related to the business combinations are amortized on a straight-line basis over their estimated lives, which approximates the pattern in which the economic benefits of the intangible assets are expected to be realized.

During the three months ended March 31, 2026, the Company recorded \$22.0 million of customer relationships and \$0.7 million of trade name attributable to the acquisition of Bako. See more details in Note 15, *Business Combinations*.

Amortization of intangible assets was \$2.0 million for each of the three months ended March 31, 2026, and 2025.

Based on the carrying value of intangible assets recorded as of March 31, 2026, and assuming no subsequent impairment of the underlying assets, the annual amortization expense for intangible assets is expected to be as follows:

	Amounts (in thousands)	
Year ending December 31,		
2026 (remaining 9 months)	\$	7,610
2027		9,786
2028		9,751
2029		9,319
2030		8,957
2031		8,319
Thereafter		31,757
Total	\$	85,499

**Note 18. Subsequent Events**

***Stock Repurchase Program***

From April 1, 2026, through May 1, 2026, the Company repurchased 0.5 million shares of its common stock for an aggregate cost of \$8.7 million at an average price of \$15.84 per share under the stock repurchase program approved in March 2022. See Note 16, *Stock Repurchase Program*. As of May 1, 2026, a total of \$91.0 million remained available for future repurchases of its common stock under the stock repurchase program.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

*The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes included in this report. Additionally, pursuant to Instruction 2 to paragraph (b) of Item 303 of Regulation S-K promulgated by the U.S. Securities and Exchange Commission, or SEC, in preparing this discussion and analysis, we presume that readers have access to and have read the discussion and analysis of our financial condition and results of operations included in our annual report on Form 10-K for our fiscal year ended December 31, 2025, filed with the SEC on February 27, 2026, or the 2025 Annual Report. As used in this discussion and analysis and elsewhere in this report, unless the context otherwise requires, the terms “Fulgent,” the “Company,” “we,” “us” and “our” refer to Fulgent Genetics, Inc. and its consolidated subsidiaries.*

### **Forward-Looking Statements**

*The following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements are statements other than historical facts and relate to future events or circumstances or our future performance, and they are based on our current assumptions, expectations and beliefs concerning future developments and their potential effect on our business. The forward-looking statements in this discussion and analysis include statements about, among other things, our future financial and operating performance, our future cash flows and liquidity and our growth strategies, as well as anticipated trends in our business and industry. These forward-looking statements are subject to a number of risks and uncertainties, including, among others, those described under “Item 1A. Risk Factors” in Part I of the 2025 Annual Report. Moreover, we operate in a competitive and rapidly evolving industry and new risks emerge from time to time. It is not possible for us to predict all of the risks we may face, nor can we assess the impact of all factors on our business or the extent to which any factor or combination of factors could cause actual results to differ from our expectations. In light of these risks and uncertainties, the forward-looking events and circumstances described in this discussion and analysis may not occur, and actual results could differ materially and adversely from those described in or implied by any forward-looking statements we make. Although we have based our forward-looking statements on assumptions and expectations we believe are reasonable, we cannot guarantee future results, levels of activity, performance or achievements or other future events. As a result, forward-looking statements should not be relied on or viewed as predictions of future events, and this discussion and analysis should be read with the understanding that actual future results, levels of activity, performance and achievements may be materially different than our current expectations. The forward-looking statements in this discussion and analysis speak only as of the date of this report, and except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations.*

### **Overview**

We are a technology-based company with a well-established laboratory services business and a therapeutic development business. Our laboratory services business includes technical laboratory and testing services and professional interpretation of laboratory results by licensed physicians. Our therapeutic development business is focused on developing product candidates for treating a broad range of cancers using a novel nanoencapsulation and targeted therapy platform designed to improve the therapeutic window and pharmacokinetic profile of new and existing cancer drugs.

On March 17, 2026 and as further described in Note 15, *Business Combinations*, to the condensed consolidated financial statements included in this report, we completed the acquisition of certain assets of Bako Diagnostics and acquired StrataDx, or collectively, the Bako Acquisition, which together provide dermatopathology, podiatric pathology, and molecular diagnostic services and therapeutic products. As the Bako Acquisition closed late in the first quarter, the results for the three months ended March 31, 2026, include only approximately two weeks of the acquired operations. We expect the additional impact of the Bako Acquisition on our consolidated results of operations, including revenue, cost of revenue, and operating expenses, to be reflected in the second quarter of 2026 and in future periods.

### **Business Risks and Uncertainties and Other Factors Affecting Our Performance**

Our business and prospects are exposed to numerous risks and uncertainties, as described below and in our 2025 Annual Report. In particular, the Bako Acquisition is a major transaction involving the integration of significant operations into our existing laboratory business. As described in greater detail in the risk factors included in our 2025 Annual Report, these acquisitions involve inherent risks, including potential difficulties in integrating operations, personnel, and technologies, and the potential for higher than anticipated acquisition-related costs or integration expenses. Ultimately, we may not realize the anticipated benefits of this transaction. For more information, see “Item 1A. Risk Factors” in Part I of the 2025 Annual Report. In addition, our performance in any period is

affected by a number of other factors. See the description of some of the material factors affecting our performance in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the 2025 Annual Report.

### Results of Operations

The table below summarizes the results of our continuing operations for each of the periods presented. For a financial overview relating to our results of operations, including general descriptions of the make-up of material line items of our statement of operation data, see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the 2025 Annual Report. Historical results are not indicative of the results to be expected in the current period or any future period.

	Three Months Ended March 31,			% Change
	2026	2025	\$ Change	
(in thousands, except percentages)				
<b>Statement of Operation Data</b>				
Revenue	\$ 71,138	\$ 73,463	\$ (2,325)	(3)%
Cost of revenue	49,648	45,117	4,531	10%
Gross profit	21,490	28,346	(6,856)	(24)%
<b>Operating expenses</b>				
Research and development	14,176	12,395	1,781	14%
Selling and marketing	12,221	8,465	3,756	44%
General and administrative	27,684	25,291	2,393	9%
Amortization of intangible assets	2,031	1,990	41	2%
Total operating expenses	56,112	48,141	7,971	17%
Operating loss	(34,622)	(19,795)	(14,827)	75%
<b>Other income (expenses)</b>				
Interest income	8,651	8,018	633	8%
Interest expense	(17)	(14)	(3)	21%
Other income, net	10	68	(58)	(85)%
Total other income, net	8,644	8,072	572	7%
Loss before income taxes	(25,978)	(11,723)	(14,255)	122%
(Benefit from) provision for income taxes	(704)	176	(880)	(500)%
Net loss from consolidated operations	(25,274)	(11,899)	(13,375)	112%
Net loss attributable to noncontrolling interests	448	369	79	21%
Net loss attributable to Fulgent	\$ (24,826)	\$ (11,530)	\$ (13,296)	115%

### Revenue

	Three Months Ended March 31,			% Change
	2026	2025	\$ Change	
(in thousands, except percentages)				
<b>Revenue from laboratory services</b>				
Precision diagnostics	\$ 40,238	\$ 44,097	\$ (3,859)	(9)%
Anatomic pathology	25,080	25,300	(220)	(1)%
BioPharma services	5,733	4,066	1,667	41%
Total laboratory services	71,051	73,463	(2,412)	(3)%
<b>Revenue from therapeutic development</b>				
BioPharma services	87	—	87	*
Total therapeutic development	87	—	87	*
Total revenue	\$ 71,138	\$ 73,463	\$ (2,325)	(3)%

\* not meaningful

Revenue decreased by \$2.3 million, or 3%, from \$73.5 million in the three months ended March 31, 2025, to \$71.1 million in the three months ended March 31, 2026. The decrease in revenue between periods was driven by decreases of \$3.9 million in precision diagnostics and \$0.2 million in anatomic pathology, partially offset by an increase of \$1.7 million in BioPharma services from the laboratory services reportable segment and \$0.1 million in BioPharma services from the therapeutic development segment.

The decrease in precision diagnostics revenue was driven by the decline in revenue from our largest customer as this customer begins to perform tests internally. As previously disclosed in our Form 10-K, we expect revenues for our largest customer to continue to decline in 2026 as this customer increases its performance of tests internally. The tests and testing services this customer has historically purchased were primarily precision diagnostic tests. To reduce this revenue risk, we will focus on developing existing customers and increasing the number of customers and thereby reducing the concentration and on successfully integrating our acquired businesses. Anatomic pathology services remained relatively consistent, with the decrease primarily due to a timing impact from claims that were delayed in release, partially offset by \$2.6 million in revenue resulting from the Bako Acquisition during the first quarter. The volume of our anatomic pathology testing services can fluctuate during holiday periods and can decline due to extreme adverse weather conditions leading to temporary laboratory closures as experienced during 2026. The increase in BioPharma services revenue was primarily due to the timing of service projects, though this revenue is expected to remain variable due to the long sales cycle and fluctuations in project timing.

We believe the factors that will affect our ability to grow these revenue streams are 1) the average price point we offer and the reimbursement rate from insurance payors; 2) the concentration of our payor base; 3) the competitive advantage we have due to our broad and flexible test menu, detection rate, and turnaround times; and 4) growth in size of an addressable market. Estimated collection amounts from insurance payors are subject to the complexities and ambiguities of billing, reimbursement regulations and claims processing, as well as considerations unique to Medicare and Medicaid programs. Because our proprietary technology platform allows for rapid scaling of a broad, flexible testing menu, we can offer our customers more scalable and affordable testing. Going forward, we will strive to maintain this competitive advantage and emphasize this in our marketing efforts to grow our testing revenue.

Our customer base includes insurance, institutional, and individual payors. In some periods, our revenue is concentrated on a smaller number of customers. For the laboratory services segment, aggregating customers that are under common control, our largest customer comprised \$10.4 million, or 15%, of our revenue in the three months ended March 31, 2026, and \$17.6 million, or 24%, of our revenue in the three months ended March 31, 2025. As previously disclosed, we expect revenues for this customer to continue to decline in 2026 as this customer transitions the performance of tests internally.

For our largest laboratory customer, and for our customers generally, tests are typically purchased on a test-by-test basis and not pursuant to any long-term purchasing arrangements. Any or all of our customers, including affiliated customers or customers under common control who purchase large quantities of tests, have decided, and could again decide at any time, to decrease, delay, or discontinue their orders from us, which could adversely affect our revenue. In addition to the decline in demand from our largest customer transitioning testing services internally discussed above, we believe fluctuations in customer demand for our tests may be attributable, in part, to the nature of our business. Testing demand can often fluctuate throughout the year with lower demand during holiday periods. Our traditional laboratory and testing services customers can also experience significant volatility in their testing demand from period to period in the ordinary course of their operations. Demand fluctuations, particularly for any large customers, often have a significant impact on our period-to-period performance regardless of their cause.

Revenue from the therapeutic development segment includes amounts recognized by ANP from technologies licensed to pharmaceutical and biotechnology companies, as well as CROs. In addition, ANP has a manufacturing and supply agreement with a customer for specific COVID-19 testing kits, under which, ANP is entitled to participate in gross-margin sharing on the sale of those kits. The timing of the gross-margin sharing revenue is dependent on the customer's downstream sales of the kits. An insignificant amount of gross-margin sharing revenue was recognized for the three months ended March 31, 2026.

Revenue from non-U.S. sources increased by \$0.4 million, or 7%, from \$5.6 million in the three months ended March 31, 2025, to \$6.0 million in the three months ended March 31, 2026. The increase was primarily due to increases in total revenue to Australia of \$0.7 million and Canada of \$0.3 million, partially offset by a decrease in total revenue to the United Kingdom of \$0.6 million.

## Cost of Revenue

	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
	(in thousands, except percentages)			
Cost of revenue	\$ 49,648	\$ 45,117	\$ 4,531	10%
Cost of revenue as a % of revenue	70%	61%		

Our consolidated cost of revenue increased by \$4.5 million, or 10%, from \$45.1 million in the three months ended March 31, 2025, to \$49.6 million in the three months ended March 31, 2026. The increase was primarily due to increases of \$1.8 million in personnel expenses due to increased headcount, \$1.5 million in shipping and handling expenses, \$0.7 million in reagent and supply costs, \$0.5 million in depreciation expense, and \$0.5 million in consulting costs, and partially offset by a decrease of \$0.5 million in

software and software licensing. The increases in personnel expenses/headcount and other cost of revenue items for the three months ended March 31, 2026, include the impact of absorbing the Bako and StrataDx operations from the March 17, 2026 acquisition date. Because the acquired operations were included for only approximately two weeks of the quarter, we expect cost of revenue to increase in future quarters as the Bako Acquisition operations are more fully reflected in our consolidated results.

Our consolidated cost of revenue as a percentage of revenue increased from 61% in the three months ended March 31, 2025, to 70% in the three months ended March 31, 2026.

Our gross profit decreased by \$6.9 million, or 24%, from \$28.3 million in the three months ended March 31, 2025, to \$21.5 million in the three months ended March 31, 2026. Our gross profit as a percentage of revenue, or gross margin, decreased from 39% in the three months ended March 31, 2025, to 30% in the three months ended March 31, 2026. This was driven by the decreased revenue, for the reasons described above, and increased headcount.

## Research and Development

	Three Months Ended March 31,			
	2026	2025	\$ Change	% Change
	(in thousands, except percentages)			
<b>Research and development</b>				
Laboratory services	\$ 8,493	\$ 7,082	\$ 1,411	20%
Therapeutic development	5,683	5,313	370	7%
Total research and development	<u>\$ 14,176</u>	<u>\$ 12,395</u>	<u>\$ 1,781</u>	

### Laboratory Services

For the laboratory services segment, the research and development expenses were mainly for advancing our technology and future testing and testing services. The expenses increased by \$1.4 million, or 20%, from \$7.1 million in 2025 to \$8.5 million in 2026. The increase was primarily attributed to increases of \$0.8 million in personnel expenses and \$0.7 million in reagents and supplies expenses, partially offset by a decrease of \$0.1 million in facility expenses.

In the three months ended March 31, 2026, the research and development expenses for the laboratory services segment primarily consisted of \$7.1 million in personnel expenses, including bonuses and equity-based compensation, \$1.1 million in reagent and supply costs, \$0.1 million in depreciation expense, and \$0.1 million in facility expenses. In the three months ended March 31, 2025, expenses primarily consisted of \$6.3 million in personnel expenses, including bonuses and equity-based compensation, \$0.4 million in reagent and supply costs, \$0.1 million in facility expenses, and \$0.1 million in depreciation expense.

### Therapeutic Development

For the therapeutic development segment, the research and development expenses in the three months ended March 31, 2026, included \$2.9 million in personnel costs, including equity-based compensation, \$2.4 million in CRO costs, \$0.2 million in facility expenses, and \$0.1 million in depreciation expenses. In the three months ended March 31, 2025, these expenses comprised \$2.6

million in CRO costs, \$2.4 million in personnel costs, including equity-based compensation, and \$0.2 million in depreciation expenses.

Research and development expenses for the therapeutic development segment increased by \$0.4 million, or 7%, from \$5.3 million in the three months ended March 31, 2025, to \$5.7 million in the three months ended March 31, 2026. The increase was primarily driven by increases of \$0.5 million in personnel costs, including equity-based compensation expense, and \$0.1 million in facility expenses, partially offset by a decrease of \$0.2 million in CRO costs. The overall increase was attributed to the advancement and continuation of the clinical study of FID-007, along with FID-022. In the three months ended March 31, 2026, approximately \$1.0 million was incurred for the clinical development of FID-022, which was consistent with the related costs of approximately \$1.0 million in the three months ended March 31, 2025. Expenses for our therapeutic development segment will be influenced by our ability to progress our therapeutic candidates through development with the FDA, the timing of which can be uncertain and delayed due to a variety of factors beyond our control, including staff reductions at the FDA and the effects or residual effects of the recent U.S. “government shutdowns,” which may affect the FDA’s ability to provide any required approvals or review in a timely manner or in the timelines expected.

Looking ahead, we expect research and development expenses to continue increasing as clinical trials progress for FID-007, FID-022, and other pre-clinical studies.

### **Selling and Marketing**

Our consolidated selling and marketing expenses increased by \$3.8 million, or 44%, from \$8.5 million in the three months ended March 31, 2025, to \$12.2 million in the three months ended March 31, 2026. The increase in consolidated selling and marketing expenses was due to increases of \$2.4 million in personnel expenses, \$1.1 million in software licensing, \$0.2 million in travel expenses, \$0.1 million in trade show expenses, and \$0.1 million in supply and material expenses, partially offset by a decrease of \$0.1 million in consulting expenses.

### **General and Administrative**

Our consolidated general and administrative expenses increased by \$2.4 million, or 9%, from \$25.3 million in the three months ended March 31, 2025, to \$27.7 million in the three months ended March 31, 2026. The increase in consolidated general and administrative expenses was due to increases of \$2.6 million in acquisition-related costs primarily related to the Bako Acquisition, \$0.8 million in legal fees, \$0.2 million in personnel costs, and \$0.1 million in insurance expenses, partially offset by decreases of \$0.9 million in provision for credit losses, \$0.3 million in depreciation expenses, and \$0.3 million in accounting expenses.

### **Amortization of Intangible Assets**

Our consolidated amortization of intangible assets represents amortization expenses on the intangible assets that arose from the business combinations in 2026, 2025, 2022, and 2021, and a patent purchased in 2021.

### **Other Income (Expenses)**

Other income (expenses), is primarily comprised of interest income, which was \$8.7 million in the three months ended March 31, 2026, and \$8.0 million in the three months ended March 31, 2025. This interest income included interest earned on marketable securities and realized gain or loss on sale of marketable securities, as well as interest accrued for outstanding federal tax refunds. The change in interest income was primarily due to the interest earned from the outstanding federal tax refunds, partially offset by lower overall marketable security balances.

### **(Benefit from) Provision for Income Taxes**

(Benefit from) provision for income taxes was \$(0.7) million and \$0.2 million for the three months ended March 31, 2026, and 2025, respectively. The effective tax rate was 3% and (2)% for the three months ended March 31, 2026, and 2025, respectively. The change in the effective tax rate compared to prior periods was primarily driven by a one-time tax benefit resulting from the Bako Acquisition completed during the quarter, which allowed the Company to recognize a portion of the tax benefit from its net operating losses that had previously been reserved.

### **Net Loss Attributable to Noncontrolling Interest**

Net loss attributable to noncontrolling interest represents net loss attributable to minority stockholders from entities not wholly owned.

## Liquidity and Capital Resources

### Liquidity and Sources of Cash

We had \$604.7 million and \$705.5 million in cash, cash equivalents, restricted cash, and marketable securities as of March 31, 2026, and December 31, 2025, respectively. Our marketable securities primarily consist of U.S. government and U.S. agency debt securities, corporate bonds, municipal bonds, and Yankee debt securities as of March 31, 2026, and December 31, 2025.

Our primary uses of cash are for strategic acquisitions (the Bako Acquisition was funded from existing cash); our stock repurchase program; capital expenditures, mainly in buildings, building improvements, and equipment; repurchases of our stock; the funding of our clinical trials; and the funding of our operations as we continue to invest in and seek to grow our business. Cash used to fund operating expenses is impacted by the timing of our expense payments, as reflected in the changes in our outstanding accounts payable and accrued expenses. Future repurchases under the stock repurchase program, if any, will depend on a variety of factors, including the market price of our common stock, general market and economic conditions, our financial condition and operating results, our capital requirements and alternative uses of capital, applicable legal requirements, and other factors our board of directors may deem relevant. Our stock repurchase program does not obligate us to repurchase any specific number of shares and may be suspended, modified, or discontinued at any time without prior notice.

We expect our existing cash, cash equivalents, restricted cash, and marketable securities to continue to be sufficient to meet our anticipated cash requirements for at least the next 12 months. Cash provided by operations has significantly contributed to our ability to meet our liquidity needs, including paying for capital expenditures, however, cash provided by our operations has in the past experienced fluctuations from period to period, which we expect may continue in the future. These fluctuations can occur because of a variety of factors, including, among others, factors relating to the demand for our tests, whether large customers continue ordering our tests, the amount and timing of sales, the prices we charge for our tests due to changes in product mix, customer mix, general price degradation for tests, or other factors, the rate and timing of our billing and collections cycles and the timing and amount of our commitments and other payments. We intend to improve our profitability by improving margins and expanding in new markets for our tests, but these efforts are subject to risks, including those described in “*Item 1A. Risk Factors*” of the 2025 Annual Report, and may not be successful. Moreover, even if our liquidity expectations are correct, we may still seek to raise additional capital through securities offerings, credit facilities or other debt financings, asset sales or collaborations or licensing arrangements.

If we raise additional funds by issuing equity securities, our existing stockholders could experience substantial dilution. Additionally, any preferred stock we issue could provide for rights, preferences or privileges senior to those of our common stock, and our issuance of any additional equity securities, or the possibility of such an issuance, could cause the market price of our common stock to decline. The terms of any debt securities we issue or borrowings we incur, if available, could impose significant restrictions on our operations, such as limitations on our ability to incur additional debt or issue additional equity or other restrictions that could adversely affect our ability to conduct our business, and would result in increased fixed payment obligations. If we seek to sell assets or enter into collaborations or licensing arrangements to raise capital, we may be required to accept unfavorable terms or relinquish or license to a third-party our rights to important or valuable technologies or tests we may otherwise seek to develop ourselves. Moreover, we may incur substantial costs in pursuing future capital raises, including investment banking, legal and accounting fees, printing and distribution expenses and other similar costs. Additional funding may not be available to us when needed, on acceptable terms or at all. If we are not able to secure funding if and when needed and on reasonable terms, we may be forced to delay, reduce the scope of or eliminate one or more sales and marketing initiatives, research and development programs or other growth plans or strategies. In addition, we may be forced to work with a partner on one or more aspects of our tests or market development programs

or initiatives, which could lower the economic value to us of these tests, programs or initiatives. Any such outcome could significantly harm our business, performance and prospects.

## Cash Flows

The following table summarizes cash flows from continuing operations for each of the periods presented:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Net cash provided by (used in) operating activities	\$ 7,097	\$ (4,431)
Net cash provided by investing activities	\$ 10,939	\$ 27,729
Net cash used in financing activities	\$ (44,833)	\$ (11,172)

### Operating Activities

During the three months ended March 31, 2026, our operations provided \$7.1 million of cash, as compared to \$4.4 million used in the three months ended March 31, 2025. The increase in cash provided from operating activities in the three months ended March 31, 2026, as compared with the corresponding period in 2025 was primarily due to the timing of cash receipts from customers and cash payments for operating expenses, including bonus expenses. We expect to incur more operating expenses and use more cash in operating activities in the coming quarters as a result of our planned and ongoing clinical trials for FID-007 and FID-022, and as we continue to invest resources to grow our laboratory services business.

### Investing Activities

The cash provided by investing activities is impacted by capital expenditures for operation needs and timing of payments, timing of maturities of marketable securities, and discretionary business combinations and other investment.

Cash provided by investing activities in the three months ended March 31, 2026, was \$10.9 million, which primarily represents \$81.7 million in the maturities of marketable securities, partially offset by \$55.6 million related to business acquisitions, \$10.0 million related to the purchase of marketable securities, and \$5.2 million related to the purchase of fixed assets consisting mainly of building improvement, medical laboratory equipment, and computer hardware.

Cash provided by investing activities in the three months ended March 31, 2025, was \$27.7 million, which primarily represents \$32.4 million in the maturities of marketable securities, partially offset by \$4.7 million related to the purchase of fixed assets consisting mainly of building improvement, medical laboratory equipment, and computer hardware.

### Financing Activities

Cash used in financing activities in the three months ended March 31, 2026, was \$44.8 million, which primarily related to \$40.1 million used in the repurchase of common stock and \$4.2 million used in common stock withholding for employee tax obligations.

Cash used in financing activities in the three months ended March 31, 2025, was \$11.2 million, which primarily related to \$8.7 million used in the repurchase of common stock and \$1.9 million used in common stock withholding for employee tax obligations.

We do not expect to use any credit facilities due to the strong cash position as of March 31, 2026.

## Stock Repurchase Program

In March 2022, our board of directors authorized a \$250.0 million stock repurchase program. The stock repurchase program has no expiration from the date of authorization. Under the stock repurchase program, we may repurchase shares from time to time in the open market or in privately negotiated transactions.

During the three months ended March 31, 2026, we repurchased 2.6 million shares of our common stock at an aggregate cost of \$40.1 million under the stock repurchase program. During the three months ended March 31, 2025, we repurchased 0.5 million shares of our common stock at an aggregate cost of \$7.9 million under the stock repurchase program. As of March 31, 2026, a total of approximately \$99.6 million remained available for future repurchases of our common stock under our stock repurchase program. From April 1, 2026, through May 1, 2026, we repurchased 0.5 million shares of our common stock for an aggregate cost of \$8.7

million at an average price of \$15.84 per share under our stock repurchase program. As of May 1, 2026, a total of \$91.0 million remained available for future repurchases of our common stock under the stock repurchase program.

### **Critical Accounting Policies and Use of Estimates**

There have been no material changes to our critical accounting policies or estimates from the information provided in Part II, “*Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations,*” included in the 2025 Annual Report.

### **Recent Accounting Pronouncements**

See Note 2, *Summary of Significant Accounting Policies*, to our condensed consolidated financial statements included in this report for information about recent accounting pronouncements.

### **Off-Balance Sheet Arrangements**

We did not have, and do not currently have, any off-balance sheet arrangements during the periods presented, as defined in the rules and regulations of the SEC, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

For quantitative and qualitative disclosures about market risk, see Part II, “*Item 7A, Quantitative and Qualitative Disclosures About Market Risk,*” in the 2025 Annual Report. There were no material changes during the three months ended March 31, 2026.

### **Item 4. Controls and Procedures.**

#### **Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are controls and other procedures of a company that are designed to ensure that information required to be disclosed by the company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. 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, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As required by Rule 13a-15(b) under the Exchange Act, our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of March 31, 2026. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2026.

#### **Changes in Internal Control over Financial Reporting**

There have not been any changes in our internal control (as required by Rule 13a-15(b) under the Exchange Act) over financial reporting during the three months ended March 31, 2026, that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

#### **Inherent Limitations on Disclosure Controls and Procedures and Internal Control over Financial Reporting**

Management recognizes that any controls and procedures, no matter how well-designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Because of these inherent limitations, our disclosure and internal controls may not prevent or detect all instances of fraud, misstatements or other control issues. In addition, projections of any evaluation of the effectiveness of disclosure or internal controls to future periods are subject to risks, including, among others, that controls may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, we may be involved in legal proceedings arising in the ordinary course of our business. As disclosed in Note 8, *Debt, Commitments, and Contingencies*, to the condensed consolidated financial statements, we are engaged in certain legal investigations and audits, and the disclosure set forth in Note 8 relating to these certain legal matters is incorporated herein by reference.

The outcome of these matters is inherently uncertain, and there can be no assurance that favorable outcomes will be obtained.

Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity, and reputational harm, among other factors.

### Item 1A. Risk Factors.

There have been no material changes to the risk factors set forth in Part I, “*Item 1A, Risk Factors*,” of the 2025 Annual Report.

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

#### Information on Share Repurchases

In March 2022, our Board of Directors authorized a \$250.0 million stock repurchase program. The stock repurchase program has no expiration from the date of authorization. Under the stock repurchase program, the Company may repurchase shares from time to time in the open market or in privately negotiated transactions. Purchases are made in the open market at prevailing market prices and were executed pursuant to trading plans we adopted pursuant to Rule 10b5-1 under the Exchange Act.

The number of shares of common stock repurchased by the Company under the stock repurchase program and the average price paid per share for the three months ended March 31, 2026, are as follows:

Period	(a) Total Number of Shares Repurchased	(b) Average Price Paid Per Share (1)	(c) Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	(d) Maximum Dollar Value of Shares that May Yet Be Repurchased Under the Plans or Programs
March 2026 (3/1/2026-3/31/2026)	2,599,321	\$ 15.42	2,599,321	\$ 99,596,254
Total	2,599,321		2,599,321	

(1) Includes commissions for the shares repurchased under the stock repurchase program.

As of March 31, 2026, a total of approximately \$99.6 million remained available for future repurchases of our common stock under the stock repurchase program.

### Item 5. Other Information

#### Rule 10b5-1 trading arrangements

During the three months ended March 31, 2026, none of our directors or officers, as each term is defined in Rule 16a-1(f) of the Exchange Act, adopted or terminated “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, except as follows:

On March 4, 2026, Hanlin Gao, our Chief Scientific Officer and Laboratory Director, terminated a Rule 10b5-1 sales plan, intended to satisfy the affirmative defense requirements of Rule 10b5-1(c) of the Exchange Act, originally adopted on November 25, 2025, for the sale of up to 100,000 shares of our common stock. The plan was originally scheduled to terminate on January 31, 2027.

Additionally and on March 9 2026, The Ming Hsieh Trust, or the Hsieh Trust, terminated a prepaid variable forward agreement, dated as of August 21, 2023, with an unaffiliated bank, or the Prepaid Agreement, which constituted a “non-Rule 10b5-1 trading arrangement” as defined in Item 408 of Regulation S-K. Ming Hsieh, our Chief Executive Officer, is the trustee of the Hsieh Trust and possesses the sole voting and dispositive power with respect to securities held by the Hsieh Trust. Pursuant to the Prepaid Agreement, the Hsieh Trust pledged up to 750,000 shares of our common stock, or the Pledged Shares. On March 9, 2026, the Hsieh Trust elected

to terminate the arrangement. Upon the payment of \$10.7 million by the Hsieh Trust to the unaffiliated bank, the Pledged Shares were no longer subject to the Prepaid Agreement.

**Item 6. Exhibits.**

The information required by this Item 6 is set forth on the Exhibit Index immediately preceding the signature page of this report and is incorporated herein by reference.

## EXHIBIT INDEX

Exhibit No.	Exhibit Title	Filed with this Form 10-Q	Incorporated by Reference		
			Form	Form No.	Date Filed
2.1§	<a href="#">Purchase and Sale Agreement, dated December 20, 2025, by and among Bako Pathology LP, Bako Pathology Holdings Corp., BPA Holding Corp., Dermatopathology Experts, LLC, Fulgent Therapeutics LLC, and Inform Diagnostics, Inc.</a>		8-K	001-37894	12/22/2025
2.2§	<a href="#">Asset Purchase Agreement, dated December 20, 2025, by and among Bako Pathology LP, Bako Pathology Holdings Corp., BPA Holding Corp., Bakotic Pathology Associates, L.L.C., Podceuticals, L.L.C., GBRL Consulting, LLC, Fulgent Therapeutics, LLC, and Inform Diagnostics, Inc.</a>		8-K	001-37894	12/22/2025
3.1	<a href="#">Certificate of Incorporation of the registrant, as amended.</a>		10-Q	001-37894	8/14/2017
3.1.1	<a href="#">Certificate of Amendment to Certificate of Incorporation of the registrant, dated August 2, 2016.</a>		10-Q	001-37894	8/14/2017
3.1.2	<a href="#">Certificate of Amendment to Certificate of Incorporation of the registrant, dated May 17, 2017.</a>		10-Q	001-37894	8/14/2017
3.2	<a href="#">Amended and Restated Bylaws of the registrant.</a>		10-Q	001-37894	8/4/2023
10.1+	<a href="#">Commercial Lease Agreement, dated July 21, 2015, by and between BH Georgia Properties, LLC and Bakotic Pathology Associates L.L.C., as amended.</a>	X			
10.2	<a href="#">Assignment and Assumption of Lease, dated March 16, 2026, by and between Bakotic Pathology Associates, L.L.C. and Inform Diagnostics, Inc.</a>	X			
31.1^	<a href="#">Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	X			
31.2^	<a href="#">Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	X			
32.1*	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>	X			
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X			
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).	X			

^ Filed herewith.

\* Furnished herewith.

§ Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted exhibits or schedules upon request by the Securities and Exchange Commission; provided, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any exhibits or schedules so furnished.

+ Certain portions of this exhibit have been redacted in accordance with Item 601(a)(6) of Regulation S-K.



CERTAIN PERSONAL INFORMATION IN THIS EXHIBIT HAS BEEN REDACTED PURSUANT TO ITEM 601(A)(6) OF REGULATION S-K. REDACTED PORTIONS ARE INDICATED WITH THE NOTATION “[\*\*\*]”.

**COMMERCIAL LEASE AGREEMENT**

THIS LEASE is made this 21st day July, 2015 by and among BH Georgia Properties, LLC (“Landlord”) and Bakotic Pathology Associates, LLC (“Tenant”).

WITNESSETH:

1. **PREMISES.** Landlord, for and in consideration of the rents, covenants, agreements, and stipulations hereinafter mentioned, provided for and contained herein to be paid, kept and performed by Tenant, leases and rents unto Tenant, and Tenant hereby leases and takes upon the terms and conditions which hereinafter appear, the following described property (“Premises”), to wit: Approximately 25,816 Rentable Square Feet and being known as 6240 Shiloh Road, Alpharetta, GA 30005.
  2. **TERM.** The Tenant shall have and hold the Premises for a term of One Hundred Twenty (120) months beginning the 1<sup>st</sup> day of August, 2015.
  3. **RENTAL.** Tenant agrees to pay to Landlord as stated in this Lease without demand and annual rental of (See Exhibit “A”) payable in equal monthly installments of (See Exhibit “A”) in advance on the first day of each calendar month during the term hereof. Rental for any period during the term hereof which is for less than one month shall be a prorated portion of the monthly rental due.
  4. **LATE CHARGES.** If Landlord fails to receive all or any portion of a rent payment within ten (10) days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to five (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of such late payment.
  5. **SECURITY DEPOSIT.** Tenant shall deposit with Landlord upon execution of this lease \$0.00 as a security deposit which shall be held by Landlord, without liability to Tenant for any interest thereon, as security for the full and faithful performance by Tenant of each and every term, covenant and condition of this Lease of Tenant. If any of the rents or other charges or sums payable by Tenant to Landlord shall be overdue and unpaid or should Landlord make payments on behalf of Tenant, or should Tenant fail to perform any of the terms of this Lease, then Landlord may, at its option, appropriate and apply the security deposit, or so much thereof as may be necessary to compensate Landlord toward the payment of the rents, charges or other sums due from Tenant, or towards any loss, damage or expense sustained by Landlord resulting from such default on the part of Tenant; and in such event Tenant shall upon demand restore the security deposit to the original sum deposited. In the event Tenant furnishes Landlord with proof that all utility bills have been paid through the date of Lease termination, and performs all of Tenant’s other obligations under this Lease, the security deposit shall be returned in full to Tenant within thirty (30)
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days after the date of the expiration or sooner termination of the term of this lease and the surrender of the Premises by Tenant in compliance with the provisions of this Lease.

6. **UTILITY BILLS.** Tenant shall pay all utility bills, including but not limited to water, sewer, gas, electricity, fuel, light and heat bills for the Premises and the Tenant shall pay all charges for garbage collection or other sanitary charges.
  7. **USE OF PREMISES.** The Premises shall be used for Medical Laboratory and office purposes only and no other. The Premises shall not be used for any illegal purposes, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises.
  8. **ABANDONMENT OF PREMISES.** Tenant agrees not to abandon or vacate the Premises during the term of this Lease and agrees to use the Premises for the purposes herein leased until the expiration hereof.
  9. **TAX AND INSURANCE ESCALATION.** Tenant shall pay upon demand by Landlord as additional rental during the term of this Lease, and any extension or renewal thereof, the amount by which all taxes (including but not limited to, ad valorem taxes, special assessments and any other governmental charges) on the Premises for each tax year exceed all taxes on the Premises for the tax year 2015. In the event the Premises are less than the entire property assessed for such taxes for any such tax year, then the tax for any such year applicable to the Premises shall be determined by proration on the basis that the rentable floor area of the Premises bears to the rentable floor area of the entire property assessed. If the final year of the Lease term fails to coincide with the tax year, then any excess for the tax year during which the term ends shall be reduced by the pro rata part of such tax year beyond the Lease term. If such taxes for the year in which the Lease terminates are not ascertainable before payment of the last month's rental, then the amount of such taxes assessed against the Property for the previous tax year shall be used as a basis for determining the pro rata share, if any, to be paid by Tenant for that portion of the last Lease year. Tenant shall further pay, upon demand, its pro rata share of the excess cost of fire and extended coverage insurance including any and all public liability insurance on the building over the cost for the first year of the Lease term for each subsequent year during the term of this Lease. Tenant's pro rata portion of increased taxes or share of excess cost of fire and extended coverage and liability insurance, as provided herein, shall be payable within fifteen (15) days after receipt of notice from Landlord as to the amount due.
  10. **INDEMNITY AND WAIVER OF CLAIMS.** Except to the extent caused by the negligence or willful misconduct of Landlord or any of its trustees, members, principals, beneficiaries, partners, officers, directors, employees, lenders and agents (the "Landlord Related Parties"), Tenant hereby waives all claims against and releases Landlord and Landlord Related Parties from all claims for any injury to or death of persons, damage to property or business loss in any manner related to (a) Force Majeure. For the purpose of this Lease, the term "Force Majeure" shall mean any circumstances beyond the reasonable control of the Landlord and shall include, but not be limited to, acts of God, fire, flood, severe or adverse weather events, an outbreak of hostilities, war, riot, civil disturbance, acts of terrorism, strike or lockouts or any act of any governmental authority. Except to the extent caused by the gross negligence or willful misconduct of Landlord or any Landlord
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Related Parties, Tenant shall indemnify, defend and hold Landlord and Landlord Related Parties harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees (if and to the extent permitted by Law) (collectively referred to as "Losses"), which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties by any third party and arising out of or in connection with any damage or injury occurring in the Premises or any acts or omissions (including violations of Law) of Tenant, the Tenant Related Parties, or any of Tenant's transferees, contractors or licensees. Except to the extent caused by the gross negligence or willful misconduct of Tenant or any Tenant Related Parties, Landlord shall indemnify, defend and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees and agents ("Tenant Related Parties") harmless against and from all Losses which may be imposed upon, incurred by or asserted against Tenant or any of the Tenant Related Parties by any third party and arising out of or in connection with any damage or injury occurring in the common areas of the Building or acts or omissions (including violation of Law) of Landlord or the Landlord Related Parties.

11. **INSURANCE.** Tenant shall maintain the following insurance ("Tenant's Insurance"): (a) Commercial general Liability Insurance applicable to the Premises and its appurtenances providing, on an occurrence basis, a minimum combined single limit of \$2,000,000.00 and (b) Employers Liability Coverage of at least \$1,000,000.00 per occurrence. Any company writing Tenant's Insurance shall have an A.M. Best rating of not less than B+VIII. All Commercial General Liability Insurance policies shall name as additional insureds Landlord (or its successors and assignees), the managing agent for the Building (or any successor), any lender of Landlord and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord and its successors as the interest of such designees shall appear. So long as the same is available at commercially reasonable rates, Landlord shall maintain so called All Risk or Causes of Loss — Special Form property insurance on the Building at not less than one hundred percent (100%) replacement cost value as reasonably estimated by Landlord.
  12. **SUBROGATION.** Landlord and Tenant hereby waive and shall cause their respective insurance carriers to waive any and all rights of recovery, claims, actions or causes of action against the other for any loss or damage with respect to Tenant's Property, Leasehold Improvements, the Building, the Premises, or any contents thereof, including rights, claims, actions and causes of action based on negligence, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. The party requesting a waiver shall be responsible for any expenses associated with obtaining same.
  13. **REPAIRS BY LANDLORD.** Landlord agrees to keep in good repair the generator, roof, foundations and exterior walls of the Premises (excluding all glass and excluding all exterior doors) and underground utility and sewer pipes outside the exterior walls of the building, except repairs rendered necessary by the negligence or intentional wrongful acts of Tenant, its brokers, employees or invitees. Landlord shall make all HVAC (air conditioning) repairs that exceed the maintenance agreement procured by Tenant. If the Premises are part of a larger building or group of buildings, then to the extent that the
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grounds are common areas, Landlord shall maintain the grounds surrounding the building, including paving, the mowing of grass, care of shrubs and general landscaping. Tenant shall promptly report in writing to Landlord any defective condition known to it which Landlord is required to repair.

14. **REPAIRS BY TENANT.** Tenant accepts the Premises in their present condition and as suited for the uses intended by Tenant. Tenant shall, throughout the initial term of this Lease, and any extension or renewal thereof, at its expense, maintain in good order and repair the Premises including any improvements located thereon, except those repairs expressly required to be made by Landlord hereunder. Tenant is responsible for procuring a maintenance agreement for the HVAC system (air conditioner) which includes regular filter changes. Tenant agrees to return the Premises to Landlord at the expiration, or prior to termination of this Lease, in as good condition and repair as when first received, natural wear and tear, damage by storms, fire, lightning, earthquake or other casualty alone excepted.
  15. **ALTERATIONS.** Tenant shall not make any alterations, additions or improvements to the Premises without Landlord's prior written consent, which shall not be unreasonably withheld. Tenant shall promptly remove any alterations, additions or improvements constructed in violation of this Paragraph 15 upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of this Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.
  16. **REMOVAL OF FIXTURES.** Tenant may (if not in default hereunder) prior to the expiration of this Lease, any extension or renewal thereof, remove all fixtures and equipment which it has placed in the Premises, provided Tenant repairs all damage to the Premises caused by such removal.
  17. **DESTRUCTION OF OR DAMAGE TO PREMISES.** If the Premises are totally destroyed by storm, fire lightning, earthquake or other casualty, this Lease shall terminate as of the date of such destruction and rental shall be accounted for as between Landlord and Tenant as of that date. If the Premises are damaged but not wholly destroyed by any such casualties, rental shall abate in such proportion as use of the Premises has been destroyed and Landlord shall restore the Premises to substantially the same condition as before damage as speedily as is practicable, whereupon full rental shall recommence. Additionally, if the Premises cannot be reasonably expected to be restored to substantially the same condition as before the damage within sixty (60) days after damage, then Tenant may terminate this Lease with thirty (30) days advance written notice.
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18. **GOVERNMENTAL ORDERS.** Tenant agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy of the Premises. Landlord agrees to comply promptly with any such requirements if not made necessary by reason of Tenant's occupancy. It is mutually agreed, however, between landlord and Tenant, that if in order to comply with such requirements, the cost to Landlord or Tenant, as the case may be, shall exceed a sum equal to one year's rent, then Landlord or Tenant who is obligated to comply with such requirements may terminate this Lease by giving written notice of termination to the other party by certified mail, which termination shall become effective sixty (60) days after receipt of such notice and which notice shall eliminate the necessity of compliance with such requirements by giving such notice unless the party giving such notice of termination shall, before termination becomes effective, pay to the party giving notice all cost of compliance in excess of one year's rent or secure payment of said sum in manner satisfactory to the party giving notice.
19. **CONDEMNATION.** If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes herein leased, are condemned by any legally constituted authority for any public use or purposes, then in either of said events the term hereby granted shall cease from the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to receive compensation and damage caused by condemnation from the condemner. It is further understood and agreed that neither the Tenant nor Landlord shall have any rights in any award made to the other by any condemnation authority notwithstanding the termination of the Lease as herein provided. Broker may become a party to the condemnation proceeding for the purpose of enforcing his rights under this paragraph.
20. **ASSIGNMENT AND SUBLETTING.** Tenant shall not, without prior written consent of landlord, which shall not be unreasonably withheld, assign this Lease or any interest hereunder, or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than the Tenant. Consent to any assignment or sublease shall not impair this provision and all later assignments or subleases shall be made likewise only on the prior written consent of Landlord. The assignee of Tenant, at the option of Landlord, shall become liable to Landlord for all obligations of Tenant hereunder. Landlord agrees to provide written consent or declination of consent within a period of thirty (30) days from the date of initial written request from Tenant.
21. **EVENTS OF DEFAULT.** The happening of any one or more of the following events (hereinafter any one of which may be referred to as an ("Event of Default")) during the term of this Lease, or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant. (A) tenant fails to pay the rental within ten (10) days after it is due; (B) Tenant abandons or vacates the premises; (C) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this lease after Tenant has received notice of such failure and has the opportunity to cure within thirty (30) days of receiving such notice; (D) Tenant is adjudicated bankrupt; (E) a permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to tenant to obtain such removal; (F) Tenant, either
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voluntarily or involuntarily, takes advantage of any debt or relief proceedings under the present or future law, whereby the rent or any part thereof is, or is proposed to be reduced or payment thereof deferred; (G) Tenant makes an assignment for benefit of creditors; or (H) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

22. **REMEDIES UPON DEFAULT.** Upon the occurrence of an Event of Default, landlord, in addition to any and all other rights or remedies it may have at law or in equity shall have the option of pursuing any one or more of the following remedies: (A) Landlord may terminate this Lease by giving notice of termination, in which event this Lease shall expire and terminate on the date specified in such notice of termination, with the same force and effect as though the date so specified was the date herein originally fixed as the termination date of the term of this Lease, and all rights of Tenant under this Lease and in and to the Premises shall expire and terminate, and Tenant shall remain liable for all obligations under this Lease arising up to the date of such termination and Tenant shall surrender the Premises to Landlord on the date specified in such notice; (B) Landlord may, without terminating this Lease, declare immediately due and payable all monthly rental and additional rent due and coming due under this Lease for the entire remaining term hereof, together with all other amounts previously due, at once; provided, however, that such payment shall not be deemed a penalty or liquidated damages but shall merely constitute payment in advance of rent for the remainder of said term; upon making such payment, Tenant shall be entitled to receive from Landlord all rents received by Landlord from other assignees, tenants and subtenants on account of the Premises during the term of this Lease, provided that the monies to which Tenant shall so become entitled shall in no event exceed the entire amount actually paid by Tenant to Landlord pursuant to this clause (B) less all costs, expenses and attorneys' fees of Landlord incurred in connection with the reletting of the Premises; or (C) landlord may, from time to time without terminating this Lease and without releasing Tenant in whole or in part from Tenant's obligation to pay monthly rental and additional rent and perform all of the covenants, conditions and agreements to be performed by Tenant as provided in this Lease, make such alterations and repairs as may be necessary in order to relet the Premises, and after making such alterations and repairs, Landlord may, but shall not be obligated to, relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable or acceptable; upon each reletting, all rentals received by Landlord from such reletting shall be applied first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord, second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees, and of costs of such alterations and repairs, third to the payment of the monthly rental and additional rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied against payments of future monthly rental and additional rent as the same may become due and payable hereunder; in no event shall Tenant be entitled to any excess rental received by Landlord over and above charges that Tenant is obligated to pay hereunder, including monthly rental and additional rent; if such rentals received from such reletting during any month are less than those to be paid during the month by Tenant hereunder, including monthly rental and additional rent, Tenant shall pay any such deficiency to Landlord, which deficiency shall be calculated and
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paid monthly; Tenant shall also pay Landlord as soon as ascertained and upon demand all costs and expenses incurred by Landlord in connection with such reletting and in making any alterations and repairs which are not covered by the rentals received from such reletting; notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

Tenant acknowledges that the Premises are to be used for commercial purposes, and Tenant expressly waives the protections and rights set forth in Official Code of Georgia Annotated Section 44-7-52.

23. **EXTERIOR SIGNS.** Tenant shall place no signs upon the outside walls or roof of the Premises except with the written consent of the Landlord. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs, and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incidents to such removal.
  24. **LANDLORD'S ENTRY OF PREMISES.** If written notice of termination has been previously received by Landlord from Tenant, Landlord may card the Premises "For Rent" or "For Sale" one hundred twenty (120) days before the termination of this Lease. Landlord, upon 24 hours' notice, may enter the Premises at reasonable hours to exhibit the Premises to prospective purchasers or tenants, to inspect the Premises to see that Tenant is complying with all of its obligations hereunder, and to make repairs required of Landlord under the terms hereof or to make repairs to Landlord's adjoin property, if any.
  25. **EFFECT OF TERMINATION OF LEASE.** Unless there is a mutually agreed upon written agreement between the Landlord and the Tenant to the contrary, no termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.
  26. **SUBORDINATION.** At the option of Landlord, Tenant agrees that this Lease shall remain subject and subordinate to all present and future mortgages, deeds to secure debt or other security instruments (the "Security Deeds") affecting the Premises, and Tenant shall promptly execute and deliver to Landlord such certificate or certificates in writing as landlord may request, showing the subordination of the Lease to such Security Deeds, and in default of Tenant so doing, Landlord shall be and is hereby authorized and empowered to execute such certificate in the name of and as the act and deed of Tenant, this authority being hereby declared to be coupled with an interest and to be irrevocable. Tenant shall upon request from Landlord at any time and from time to time execute, acknowledge and deliver to Landlord a written statement certifying as follows: (A) that this Lease is unmodified and in full force and effect (or if there has been modification thereof, that the same is in full force and effect as modified and stating the nature thereof); (B) that to the best of its knowledge there are no uncured defaults on the part of Landlord (or if any such default exists, the specific nature and extent thereof); (C) the date to which any rent and other charges have been paid in advance, if any; and (D) such other matters as Landlord may reasonably request. Tenant irrevocably appoints Landlord as its attorney-in-fact,
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coupled with an interest, to execute and deliver, for and in the name of Tenant, any document or instrument provided for in this paragraph.

27. **ESTOPPEL CERTIFICATE.** At any time and from time to time, Tenant shall execute, acknowledge, and deliver to Landlord and to such assignee, mortgagee or other party as may be designated by Landlord, a certificate (in a form to be specified by Landlord) stating; (i) that by such certificate the Lease is ratified; (ii) the commencement date and the date on which Tenant entered into occupancy of the Premises; (iii) the amount of the monthly portion of base rent and additional rent payable hereunder; (iv) that the Lease (and any modifications) represents the entire agreement between the parties as to the Premises and is in full force and effect; (v) the expiration date; (vi) that, as of the date of the certificate, there are no defaults by Landlord or Tenant under the Lease; (vii) the amount of base rent and security deposit which has been deposited with Landlord; (viii) the month and year through which base rent and additional rent have been paid; (ix) that no actions, voluntary or involuntary, are pending against Tenant under the bankruptcy laws of the United States or any State thereof; (x) that the person executing the certificate is duly authorized to execute the same on behalf of Tenant, and that the certificate is and shall be binding on Tenant, its successors and assigns; (xi) that Tenant has not requested any repairs or replacements to the Premises or any other part of the Project that are Landlord's responsibility under the Lease and that have not been completed; and (xii) such other matters relating to the Lease as requested by Landlord. If Tenant fails to deliver such certificate to Landlord within ten (10) days after written request by Landlord, Tenant shall be deemed to have approved the contents of the certificate as submitted to Tenant by Landlord at the time of written request therefore, and Landlord is hereby authorized to so certify. Tenant hereby expressly acknowledges and agrees that Landlord, any such assignee, mortgagee or other party shall be entitled to rely upon the certificate so certified by Landlord or any certificate delivered by Tenant hereunder.
  28. **QUIET ENJOYMENT.** So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof.
  29. **NO ESTATE IN LAND.** This Lease shall create the relationship of landlord and Tenant between the parties hereto. No estate shall pass out of landlord. Tenant has only a usufruct not subject to levy and sale, and not assignable by Tenant except by Landlord's consent.
  30. **HOLDING OVER.** If Tenant remains in possession of the Premises after expiration of the term hereof, with landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at will at the monthly rental which is in effect at the end of this Lease in accordance with Paragraph 3 and there shall be no renewal of this Lease by operation of law. If Tenant remains in possession of the Premises after expiration of the term hereof without Landlord's acquiescence, Tenant shall be a tenant at sufferance and commencing on the date following the date of such expiration, the monthly rental payable under Paragraph 3 above shall for each month, or fraction thereof during which Tenant so remains in possession of the Premises, be 150% of the monthly rental which is in effect at the end of this Lease in accordance with Paragraph 3 and there shall be no renewal of this Lease by operation of law.
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31. **ATTORNEY'S FEES.** In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Lease on the part of Landlord or Tenant, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees to be fixed by the court in such action or proceeding, in an amount at least equal to fifteen percent of any damages due from the non-prevailing party. Furthermore, landlord and Tenant agree to pay the attorney's fees and expenses (A) the other party to this Lease (either Landlord or Tenant) if it is made a party to litigation because of its being a party to this Lease and when it has not engaged in any wrongful conduct itself, and (B) Broker if Broker is made a party to litigation because of its being a party to this Lease and when Broker has not engaged in any wrongful conduct itself.
32. **RIGHTS CUMULATIVE.** All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.
33. **WAIVER OF RIGHTS.** No failure of Landlord to exercise any power given Landlord hereunder or to insist upon strict compliances by tenant of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of landlord's right to demand exact compliance with the terms hereof.
34. **ENVIRONMENTAL LAWS.** Landlord represents to the best of its knowledge and belief, (A) the Premises are in compliance with all applicable environmental laws, and (B) there are not excessive levels (as defined by the Environmental Protection Agency) of radon, toxic waste or hazardous substances on the Premises. Tenant represents and warrants that Tenant shall comply with all applicable environmental laws and that Tenant shall not permit any of his employees, brokers, contractors or subcontractors or any person present on the Premises to generate, manufacture, store dispose or release on, about, or under the Premises any toxic waste or hazardous substances which would result in the Premises not complying with any applicable environmental law.
35. **TIME OF ESSENCE.** Time is of the essence of this Lease.
36. **DEFINITIONS.** "LANDLORD" AS USED IN THIS LEASE SHALL INCLUDE THE UNDERSIGNED, ITS HEIRS, REPRESENTATIVES, ASSIGNS AND SUCCESSORS IN TITLE TO THE PREMISES, "TENANT" SHALL INCLUDE THE UNDERSIGNED AND ITS HEIRS, REPRESENTATIVES, ASSIGNS AND SUCCESSORS, AND IF THIS LEASE SHALL BE VALIDLY ASSIGNED OR SUBLET, SHALL INCLUDE ALSO TENANT'S ASSIGNEES OR SUBTENANTS AS TO THE PREMISES COVERED BY SUCH ASSIGNMENT OR SUBLEASE. "Broker" shall include the undersigned, its successors, assigns, heirs and representatives. "Landlord" "Tenant" and "Broker" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.
37. **NOTICES.** All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by U.S. Certified Mail, return receipt requested, postage prepaid or a nationally recognized overnight courier with delivery tracking. Notice shall be deemed received three days after an item is mailed. Broker shall be copied with all required or permitted notices. Notices to tenant shall be delivered or sent to the address shown
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below, except that upon Tenant's taking possession of the Premises, then the Premises shall be Tenant's address for notice purposes. Notices to Landlord and Broker shall be delivered or sent to the addresses hereinafter stated, to wit:

Landlord BH Georgia Properties, LLC 6240 Shiloh Road  
Alpharetta, GA 30005  
ATTN: Bradley W. Bakotic

Tenant Bakotic Pathology Associates, LLC  
6240 Shiloh Road  
Alpharetta, GA 30005  
ATTN: Scott Bakotic

All notices shall be effective upon delivery. Any party may change his notice address upon written notice to the other parties.

38. **ENTIRE AGREEMENT.** This Lease contains the entire agreement of the parties hereto, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein, shall be of any force or effect. No subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by Landlord and Tenant.
39. **SPECIAL STIPULATIONS.** Any special stipulations are set forth in the attached Exhibit "A". Insofar as said special stipulations conflict with any of the foregoing provisions, said special stipulations shall control.

**Tenant acknowledges that Tenant has read and understands the terms of this Lease and has received a copy of it.**

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IN WITNESS WHEREOF, Landlord Tenant, Broker and Co-Broker have hereunto set their hands and seals as of the date indicated below.

LANDLORD: BH Georgia Properties, LLC

By: /s/ Bradley W. Bakotic (Seal)

Name: Bradley W. Bakotic

Title: CEO

Address: 6240 Shiloh Road, Alpharetta, GA 30005

Phone: \*\*\*

Fax: \*\*\*

Date: 7/21/15

TENANT: Bakotic Pathology Associates, LLC

By: /s/ Scott Bakotic 7/21/15 (Seal)

Name: Scott Bakotic, CFO

Address: 6240 Shiloh Road, Alpharetta, GA 30005

Phone: \*\*\*

Fax: \*\*\*

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**Exhibit A**

1. Base Rental on 25,816 Sq Ft:

	<u><i>Rate PSF</i></u>	<u><i>Annual Rent</i></u>	<u><i>Monthly Rent</i></u>
Months 1-12	\$13.00	\$335,608.00	\$27,967.33
Months 13-24	\$13.26	\$342,320.16	\$28,526.68
Months 25-36	\$13.53	\$349,166.56	\$29,097.21
Months 37-48	\$13.80	\$356,149.89	\$29,679.16
Months 49-60	\$14.07	\$363,272.89	\$30,272.74
Months 61-72	\$14.35	\$370,538.35	\$30,878.20
Months 73-84	\$14.64	\$377,949.12	\$31,495.76
Months 85-96	\$14.93	\$385,508.10	\$32,125.67
Months 97-108	\$15.23	\$393,218.26	\$32,768.19
Months 109-120	\$15.54	\$401,082.63	\$33,423.55

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**FIRST AMENDMENT TO COMMERCIAL LEASE AGREEMENT**

THIS FIRST AMENDMENT TO COMMERCIAL LEASE AGREEMENT (hereinafter referred to as the “**First Amendment**”), is made and entered into effective as of the **11<sup>th</sup> day of January, 2016**, by and between **BH GEORGIA PROPERTIES, LLC** a Georgia limited liability company (“**Landlord**”) and **BAKOTIC PATHOLOGY ASSOCIATES, LLC**, a Georgia limited liability company (hereinafter referred to as “**Tenant**”).

**WITNESSETH:**

WHEREAS, Landlord and Tenant are parties to that certain lease dated as of July 21, 2015, (the **Lease**), pursuant to which Tenant leased certain premises containing 25,816 rentable square feet located at 6240 Shiloh Road, Alpharetta, Georgia 30005; and

WHEREAS, Landlord and Tenant desire to further modify and amend the Lease in order to increase the rentable square footage.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1) Section 1 – PREMISES: Landlord and Tenant do hereby modify and amend the rentable square footage under the Lease as follows:  
  
-25,816 sq ft is amended to add an additional 3,283 sq ft totaling 29,099 sq ft
- 2) Section 3 – RENTAL: Landlord and Tenant do hereby modify and amend Exhibit “A” adding the additional square feet to the annual rent.
- 3) For purposes of this First Amendment, unless otherwise expressly provided herein, all terms and conditions of the Lease remain in force.

SIGNATURES FOLLOW ON NEXT PAGE

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IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date first written above.

LANDLORD:

**BH GEORGIA PROPERTIES, LLC,**  
a Georgia limited liability company

By: /s/ Bradley W. Bakotic  
Name: Bradley W. Bakotic  
Title: CEO

TENANT:

**BAKOTIC PATHOLOGY ASSOCIATES, LLC,**  
a Georgia limited liability company

By: /s/ Scott Bakotic  
Name: Scott Bakotic  
Title: CFO

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**Exhibit A**  
as Amended 1/11/2016

1. Base Rental on 29,099 Sq Ft:

	<u>Rate PSF</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Months 1-12	\$13.00	\$378,287.00	\$31,523.92**
Months 13-24	\$13.26	\$385,852.74	\$32,154.40
Months 25-36	\$13.53	\$393,569.79	\$32,797.48
Months 37-48	\$13.80	\$401,441.19	\$33,453.43
Months 49-60	\$14.07	\$409,470.01	\$34,122.50
Months 61-72	\$14.35	\$417,659.41	\$34,804.95
Months 73-84	\$14.64	\$426,012.60	\$35,501.05
Months 85-96	\$14.93	\$434,532.86	\$36,211.07
Months 97-108	\$15.23	\$443,223.51	\$36,935.29
Months 109-120	\$15.54	\$452,087.98	\$37,674.00

\*\* January shall be prorated for 21 days. Tenant moved in January 11, 2016.  
 (3,283 X \$13.00 = \$3,556.58 / 31 = \$114.73 X 21 = \$2,409.33)  
 January Rent shall be \$30,376.66

**SECOND AMENDMENT TO LEASE**

**THIS SECOND AMENDMENT TO LEASE** (this “Second Amendment”) is made and entered into as of the 23rd day of September, 2024 (the “Effective Date”), by and between **GREENLEAF INVESTMENT PARTNERS L060, LLC** (“Landlord”), a Delaware company, and **BAKOTIC PATHOLOGY ASSOCIATES, LLC** (“Tenant”).

**WITNESSETH THAT:**

**WHEREAS**, Landlord and Tenant are parties to that certain Commercial Lease Agreement, dated July 21, 2015 (the “Original Lease”), as amended by that certain First Amendment to Commercial Lease Agreement dated January 11, 2016 (the “First Amendment”), and Landlord, as successor in interest to BH Georgia Properties, (“Original Landlord”), currently leases to Tenant the Premises consisting of 29,099 square feet (the “Premises”) located at 6240 Shiloh Rd. Alpharetta, GA 30005 (“Property”). The Original Lease, as amended by the First Amendment, shall hereinafter be collectively referred to as the “Lease”; and

**WHEREAS**, Landlord and Tenant desire to amend the Lease commencing on August 1, 2025. Tenant and Landlord agree to renew the Lease for a term of eighty-four (84) months commencing on August 1, 2025 and terminating on July 31, 2032

**WHEREAS**, all capitalized terms used, but not otherwise defined, herein shall have the meaning(s) ascribed to such term(s) in the Lease.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lease is hereby amended, and the parties hereto do hereby agree as follows:

1. In the event of a conflict between the Lease and this Second Amendment, the terms of this Second Amendment shall control.
  2. This Lease, as previously amended, and as amended herein, shall continue with the renewal of the lease of the Premises, commencing on August 1, 2025 and expiring at the end of eighty-four (84) months, which is July 31, 2032 (hereinafter “Renewal Term”).
  3. Tenant agrees to pay Landlord as monthly base rate \$15.54 per RSF during the Renewal Term, subject to escalate at two percent (2.0%) per annum on the anniversary date. Base rates for the term are as shown in Exhibit “A” of this Second Amendment.
  4. Paragraph 9 of the Lease is hereby amended so that the amount of taxes on the Premises payable by Tenant as additional rent shall be the amount by which all taxes (as defined in the Lease) on the Premises for each tax year exceed all taxes on the Premises for the tax year 2025. Paragraph 9 of the Lease is hereby further amended to provide that the Tenant’s pro rata share of the excess cost of fire and extended coverage insurance, including any and all public liability insurance, shall be the extent to which said insurance costs exceed the costs for the first year of the Renewal Term for each subsequent year during the Renewal Term.
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5. Paragraph 10 is hereby amended by replacing the first sentence with the following: Except to the extent caused by the negligence or willful misconduct of the other party, both Landlord and Tenant hereby waive all claims against the other party and release the other party for any injury to or death of persons, damages to property or business loss in any manner related to Force Majeure. Paragraph 10 is further amended such that the indemnity obligations of the Landlord shall apply to any acts or omission of the Landlord on the “Premises” and any common areas.

6. Landlord, at its sole cost and expense (i.e., not as part of any Additional Rent and/or Operating Expenses), will be responsible for all capital improvement expenses incurred at the Property (throughout the initial term of the Lease and the Renewal Term) as outlined in Exhibit “B” of this Second Amendment. Landlord will be responsible for making the capital improvements outlined in Exhibit “B” within a reasonable time, taking into account the availability of the contractor and or the supplies and equipment needed, after the Commencement Date of this Second Amendment, but in no event later than August 1, 2025, and for the modernization of the elevator within a reasonable time, taking into account the availability of the contractor and or the supplies and equipment needed, after the Commencement Date of this Second Amendment.

7. Paragraph 13 of the Lease is hereby amended to provide that the exclusionary language in the second line of Paragraph 13 for exterior glass and doors, is deleted such that Landlord is responsible for the repair and maintenance of exterior glass and doors. Paragraph 14 of the Lease is hereby further amended to provide that the failure of the Landlord to make necessary repairs and capital improvements as required by the Lease and this Second Amendment shall, at the election of Tenant, be considered an event of default. Tenant agrees to give Landlord written notice of any such default on the part of Landlord. If Landlord fails to cure the default within thirty (30) days after receipt of written notice from Tenant specifying the default, Tenant shall have the right, but not the obligation, to make the necessary repairs. Tenant may then deduct the reasonable cost of such repairs from the next installment(s) of Base Rent due, provided that Tenant submits to Landlord detailed invoices or receipts evidencing the costs incurred.

8. Paragraphs 15 and 16 of the Lease are hereby amended such that the terms “damage” or “material damage” with regard to Tenant’s obligation to return the building to Landlord shall not include normal wear and tear.

9. Paragraph 24 is hereby amended to delete the reference to “Landlord’s adjoin property”.

10. Tenant shall have the continuous right to terminate this Lease at any time after the end of the 24th month of the Renewal Term in the event of a merger, acquisition, or similar corporate restructuring, that results in a change of control or ownership of either Tenant or any entity with a majority ownership interest in Tenant. Termination will require Tenant to provide the Landlord six (6) months written notice to terminate. Upon termination and payment of the fee, the Tenant must vacate and surrender the Premises in the required condition, with no further obligations except those that explicitly survive termination. The termination fee shall be seven (7) months of rent based on the monthly rental rate at the time Tenant provides Landlord with written notice of termination.

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11. Notices. Any notice, demand or other communication to be provided hereunder to a party hereto shall be (a) in writing; (b) deemed to have been given (i) five (5) business days after being sent in the United States Mail, postage prepaid, (ii) one (1) business day after being sent by nationally recognized overnight courier for overnight delivery, or (iii) immediately upon its actual delivery; and (c) addressed to Tenant at the address set forth in the Lease or to Landlord at the address set forth below, or such other place as Landlord or Tenant may specify in writing to the other upon at least ten (10) days prior notice:

Landlord & Payments: Greenleaf Management, LLC  
Landlord's Address: 3081 Holcomb Bridge Road, Suite A2  
Norcross, GA 30071  
Attn: Bako  
Landlord's Email: [\*\*\*]

12. Multiple Counterparts. This Second Amendment may be executed in two or more counterparts, each of which is to be deemed an original for all purposes, but all of which together shall constitute one and the same instrument. Furthermore, the parties agree that this Second Amendment may be executed and transmitted between them by electronic mail and that those signatures shall have the effect of original signatures relative to this Second Amendment.

13. Brokers. Tenant represents and warrants to Landlord that (i) NAI Brannen Goddard has represented the Tenant in connection with the extension of the term of this Lease, and the negotiation of this Second Amendment, (ii) No other agent has represented Tenant in connection with the extension of the term of the Lease and/or negotiation of this Second Amendment, (iii) other than NAI Brannen Goddard, no broker agent, commission salesperson, or other persons has represented Tenant in connection with the extension of the term of the Lease, and/or the negotiation of this Second Amendment, and (iv) other than to NAI Brannen Goddard, no commissions, fees, or compensation of any kind are due and payable by Landlord in connection herewith to any broker, agent, commission salesperson, or other persons, as a result of any act or agreement of Tenant.

14. Effectiveness; Entire Agreement. Landlord and Tenant hereby ratify and affirm the Lease, and except as expressly amended and modified hereby, the Lease shall otherwise remain in full force and effect. The Lease and this Second Amendment constitute the entire agreement of Landlord and Tenant with respect to the subject matter herein. To the extent of any inconsistency between the Lease and this Second Amendment, the terms of this Second Amendment shall control. This Second Amendment may be executed in several counterparts, each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same Second Amendment. This Second Amendment may be executed by each party upon a separate copy, and one or more execution pages may be detached from one copy of this Amendment and attached to another copy in order to form one or more counterparts. Signature pages exchanged by facsimile or email shall be fully binding. Each party hereby affirms that there exists no default or event of default on its part under the terms of the Lease and that it has no offset rights, claims or counterclaims against the other party.

EXCEPT AS expressly amended and modified hereby, the Lease shall otherwise remain in full force and effect, the parties hereto hereby ratifying and confirming the same. To the extent of

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any inconsistency between the Lease and this Second Amendment, the terms of this Second Amendment shall control.

*[SIGNATURES ON FOLLOWING PAGE]*

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**IN WITNESS WHEREOF**, the undersigned parties have duly executed this Amendment as of the day and year first above written.

**LANDLORD:**

**GREENLEAF INVESTMENT PARTNERS L060, LLC**

/s/ Mark Buchanan

**TENANT:**

**BAKOTIC PATHOLOGY ASSOCIATES, LLC**

/s/ Scott Bakotic

**TENANT REP BROKER:**

**NAI BRANNEN GODDARD**

/s/ David Dixon

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**EXHIBIT A**

**Base Rent Table**

Base Rent. Tenant shall continue to pay Base Rent for the Premises through the current expiration date in the same manner and amounts as set forth in the Lease. Commencing on August 1, 2025, Tenant shall pay Base Rent for the Premises, including expansion as follows, which Base Rent shall be payable in the same manner as set forth in the Lease:

<b>Term</b>	<b>Monthly Base Rent</b>	<b>Annual Base Rent</b>
8/1/2025 - 7/31/2026	\$37,683.21	\$452,198.46
8/1/2026 - 7/31/2027	\$38,434.93	\$461,219.15
8/1/2027 - 7/31/2028	\$39,210.90	\$470,530.83
8/1/2028 - 7/31/2029	\$39,986.88	\$479,842.51
8/1/2029 - 7/31/2030	\$40,787.10	\$489,445.18
8/1/2030 - 7/31/2031	\$41,611.57	\$499,338.84
8/1/2031 - 7/31/2032	\$42,436.04	\$509,232.50

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**ASSIGNMENT AND ASSUMPTION OF LEASE**

This Assignment and Assumption of Lease (“**Assignment**”) is made as of March 16, 2026 (“**Effective Date**”), by and between Bakotic Pathology Associates, L.L.C., as assignor (“**Assignor**”), and Inform Diagnostics, Inc., a Delaware corporation, as assignee (“**Assignee**”).

**RECITALS**

A. Greenleaf Investment Partners L060, LLC, as Landlord (“**Landlord**”), and Assignor, as “Tenant”, entered into that certain Commercial Lease Agreement dated July 21, 2015, as amended by that certain First Amendment to Commercial Lease Agreement dated January 11, 2016 and that certain Second Amendment to Lease dated September 23, 2024 (collectively, the “**Lease**”), concerning certain premises located at 6240 Shiloh Road, Alpharetta, GA 30005 (“**Premises**”).

NOW, THEREFORE, in consideration of the Premises, the mutual covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. **Assignment.** Effective as of the Effective Date, Assignor does hereby assign to Assignee all of its rights, title, and interest in and to the Lease including, without limitation, Assignor's right, title, and interest in and to all sums deposited with Landlord as security under the Lease.

2. **Assumption.** As of the Effective Date, Assignee hereby assumes all of the obligations of and the performance of all of the terms, conditions, covenants, and agreements on the part of Tenant to be performed under the Lease.

3. **Severability.** If any term of this Assignment or the application of such term to a person or circumstance shall to any extent be declared invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected by it, and each term of this Assignment shall remain valid and enforceable to the fullest extent permitted by law.

4. **Governing Law.** This Assignment will be construed in accordance with, and be governed by, the laws of the state in which the Premises are located.

5. **Counterparts: Facsimile Signatures.** This Assignment may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Assignor and Assignee hereby acknowledge and agree that facsimile signatures or signatures transmitted by electronic mail in so-called “pdf” format may be used in place of original signatures on this Assignment. Assignor and Assignee intend to be bound by the signatures on any document sent by facsimile or electronic mail.

*[Signature page follows]*

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

Assignor:

BAKOTIC PATHOLOGY  
ASSOCIATES, L.L.C.,  
a Georgia limited liability company

By: /s/ Daniel Spragle

Its: President

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

Assignee:

INFORM DIAGNOSTIC, INC.,  
a Delaware corporation

By: /s/ Ming Hsieh

Its: President

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LANDLORD'S CONSENT

Greenleaf Investment Partners L060, LLC, as "Landlord" under the Lease, does hereby consent, pursuant to Section 20 of the Lease, to the foregoing Assignment and Assumption of Lease, dated of even date herewith, by and between Assignor and Assignee, and does hereby acknowledge and agree that Assignee is hereafter liable to Landlord for all obligations of the "Tenant" under the Lease and Assignor shall hereafter have no further obligations under the Lease. The consent granted herein should not be construed as consent to any further assignment or subletting.

GREENLEAF INVESTMENT PARTNERS L060, LLC

By: /s/ Mark Buchanan

Its: COO

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

In connection with the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 of Fulgent Genetics, Inc. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies in his capacity as the specified officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2026

By: \_\_\_\_\_  
/s/ Ming Hsieh  
Ming Hsieh  
**Chief Executive Officer**  
(principal executive officer)

Date: May 1, 2026

By: \_\_\_\_\_  
/s/ Paul Kim  
Paul Kim  
**Chief Financial Officer**  
(principal financial and accounting officer)

This certification accompanies the Quarterly Report on Form 10-Q to which it relates and shall not be deemed filed with the Securities and Exchange Commission or incorporated by reference into any filing of the Company 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 the Form 10-Q), irrespective of any general incorporation language contained in such filing.

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