



Exagen Inc. Reports Fourth Quarter and Full Year 2020 Results

March 16, 2021 at 4:05 PM EDT

Quarterly Records: Revenue, Gross Margin, AVISE® CTD Volumes and Adopters

SAN DIEGO, March 16, 2021 (GLOBE NEWSWIRE) -- Exagen Inc. (Nasdaq: XGN), a leading provider of autoimmune testing solutions, today reported financial results for the fourth quarter and full year ended December 31, 2020.

Recent Highlights:

- Generated total revenue of \$42.0 million for the year ended December 31, 2020, a 4% increase over 2019.
- Generated total revenue of \$12.7 million for the fourth quarter of 2020, a 24% increase over the fourth quarter of 2019.
- Generated gross margin of \$8.3 million and 66% for the fourth quarter of 2020.
- Delivered 28,601 flagship AVISE® CTD tests, including AVISE® Lupus, in the fourth quarter 2020, and 100,450 tests for the year ended December 31, 2020.
- Number of ordering healthcare providers was 1,690 in the fourth quarter of 2020, including 635 adopters, and sequential quarterly retention rate of approximately 99% among adopting healthcare providers from the prior quarter.
- Entered into coverage and in-network agreements with Highmark, the fourth-largest overall Blue Cross Blue-Shield affiliated organization, and TRICARE West.

"The fourth quarter of 2020 was strong for Exagen, despite continuing challenges from the COVID-19 pandemic. Our core testing business delivered record revenue in the fourth quarter, driven largely by record quarterly volumes for our flagship AVISE® CTD test, achieving back-to-back annual volume of over 100,000 orders. It is also gratifying to note that we attained a record number of healthcare adopters in the quarter, along with another period of 99% retention rates, which we believe are indicative of the value healthcare providers place on our testing products," said Ron Rocca, President and Chief Executive Officer of Exagen. "Looking ahead, we believe the strategic salesforce expansion, and progress with reimbursements positions us for growth in 2021. We will continue to invest in our business to build a platform that offers to improve care for millions of patients suffering from autoimmune and autoimmune-related diseases."

Fourth Quarter 2020 Financial Results

Revenue for the three months ended December 31, 2020 was \$12.7 million, compared with \$10.2 million in the fourth quarter of 2019. Gross margin was 66% in the fourth quarter of 2020 compared to 55% in the fourth quarter of 2019, benefiting from an increase in SIMPONI® revenues and a decrease in royalty costs associated with the expiration of a royalty on our CB-CAPs technology.

Operating expenses were \$15.4 million in the fourth quarter of 2020, compared with \$13.1 million in the fourth quarter of 2019, due to increases in employee related expenses from headcount growth, including stock-based compensation.

For the fourth quarter of 2020, net loss was \$3.5 million, compared to a net loss of \$3.4 million for the fourth quarter of 2019.

Cash and cash equivalents were approximately \$57.4 million as of December 31, 2020.

Full Year 2020 Financial Results

Revenue for the full year of 2020 was \$42.0 million, compared with \$40.4 million for the full year of 2019. Gross margin was 61% for the full year of 2020 compared to 53% for the full year of 2019, benefiting from an increase in SIMPONI® revenues, a decrease in royalty costs associated with the expiration of a royalty on our CB-CAPs technology and a decrease in direct costs including materials and supplies.

Operating expenses were \$57.2 million for the full year of 2020, compared with \$49.7 million for the full year of 2019, due to increases in employee related expenses from headcount growth, including stock-based compensation, and public company expenses. This is partially offset by a decrease in costs of revenue.

For the full year of 2020, net loss was \$16.7 million compared to a net loss of \$12.0 million for the full year of 2019.

2021 Guidance

For the full year 2021, Exagen expects revenue to be in the range of \$47 million to \$49 million.

Conference Call

A conference call to review fourth quarter and year-ended 2020 financial results and to provide a business update is scheduled for today March 16, 2021 at 4:30 PM Eastern Time (1:30 PM Pacific Time). Interested parties may access the conference call by dialing (877) 407-3982 (U.S.) or (201) 493-6780 (international). Additionally, a link to a live webcast of the call will be available in the Investor Relations section of Exagen's website at

Loss before income taxes	(3,414)	(3,383)	(16,766)	(12,013)
Income tax (expense) benefit	(39)	(25)	79	(25)
Net loss	(3,453)	(3,408)	(16,687)	(12,038)
Accretion of redeemable convertible preferred stock	—	—	—	(4,640)
Deemed dividend recorded in connection with financing transactions	—	—	—	(13,601)
Net loss attributable to common stockholders	<u>\$ (3,453)</u>	<u>\$ (3,408)</u>	<u>\$ (16,687)</u>	<u>\$ (30,279)</u>
Net loss per share, basic and diluted	<u>\$ (0.27)</u>	<u>\$ (0.27)</u>	<u>\$ (1.32)</u>	<u>\$ (8.46)</u>
Weighted-average number of shares used to compute net loss per share, basic and diluted	12,652,202	12,560,502	12,632,780	3,578,771

Exagen Inc.

Condensed Balance Sheets
(in thousands, except share and per share data)

	December 31,	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,448	\$ 72,084
Accounts receivable, net	8,910	5,715
Prepaid expenses and other current assets	4,159	3,451
Total current assets	<u>70,517</u>	<u>81,250</u>
Property and equipment, net	2,102	1,380
Goodwill	5,506	5,506
Other assets	250	174
Total assets	<u>\$ 78,375</u>	<u>\$ 88,310</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 3,014	\$ 1,476
Accrued and other current liabilities	5,757	4,419
Total current liabilities	<u>8,771</u>	<u>5,895</u>
Borrowings-non-current portion, net of discounts and debt issuance costs	26,659	25,854
Deferred tax liabilities	158	264
Other non-current liabilities	948	638
Total liabilities	<u>36,536</u>	<u>32,651</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, no shares issued or outstanding at December 31, 2020 and December 31, 2019	—	—
Common stock, \$0.001 par value; 200,000,000 shares authorized at December 31, 2020 and December 31, 2019; 12,652,308 and 12,560,990 shares issued and outstanding at December 31, 2020 and December 31, 2019, respectively	13	13
Additional paid-in capital	223,115	220,248
Accumulated deficit	(181,289)	(164,602)
Total stockholders' equity	<u>41,839</u>	<u>55,659</u>
Total liabilities and stockholders' equity	<u>\$ 78,375</u>	<u>\$ 88,310</u>



Source: Exagen Inc.