

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

FORM 10-Q

(Mark One)

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2026
- ☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-39049

EXAGEN INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

1261 Liberty Way
Vista, CA
(Address of Principal Executive Offices)

20-0434866
(I.R.S. Employer
Identification No.)

92081
(Zip Code)

(760) 560-1501

(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 \$0.001 per share	XGN	The 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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

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

Total shares of common stock outstanding as of the close of business on July 30, 2026 was 24,225,339.

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Part I. Financial Information
Item 1. Financial Statements
Exagen Inc.
Unaudited Condensed Balance Sheets
(in thousands, except share and per share amounts)

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,588	\$ 32,220
Accounts receivable, net	12,407	10,855
Prepaid expenses and other current assets	5,862	5,818
Total current assets	42,857	48,893
Property and equipment, net	6,565	6,938
Operating lease right-of-use assets	1,953	1,435
Other assets	560	756
Total assets	\$ 51,935	\$ 58,022
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 4,439	\$ 4,153
Accrued and other current liabilities	4,939	6,327
Deferred revenue	1,492	675
Finance lease liabilities, current	1,091	1,135
Operating lease liabilities, current	979	1,226
Borrowings, current	517	643
Total current liabilities	13,457	14,159
Borrowings, non-current, net of discounts and debt issuance costs	22,322	22,264
Finance lease liabilities, non-current	1,617	1,960
Operating lease liabilities, non-current	1,130	438
Warrant liability	1,193	1,752
Total liabilities	39,719	40,573
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$0.001 par value per share; 10,000,000 shares authorized, no shares issued or outstanding as of June 30, 2026 and December 31, 2025	—	—
Common stock, \$0.001 par value per share; 200,000,000 shares authorized as of June 30, 2026 and December 31, 2025; 24,193,101 and 22,911,575 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	24	23
Additional paid-in capital	333,637	331,708
Accumulated deficit	(321,445)	(314,282)
Total stockholders' equity	12,216	17,449
Total liabilities and stockholders' equity	\$ 51,935	\$ 58,022

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

Exagen Inc.

Unaudited Condensed Statements of Operations
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 19,941	\$ 17,202	\$ 37,247	\$ 32,700
Cost of revenue	7,724	6,807	14,825	13,182
Gross profit	12,217	10,395	22,422	19,518
Operating expenses:				
Selling, general and administrative expenses	12,513	11,542	24,579	22,746
Research and development expenses	1,426	1,483	2,979	2,767
Total operating expenses	13,939	13,025	27,558	25,513
Loss from operations	(1,722)	(2,630)	(5,136)	(5,995)
Interest expense	(1,201)	(1,124)	(2,468)	(1,669)
Loss on extinguishment of debt	—	(295)	—	(295)
Change in fair value of warrant liability	(426)	(438)	456	(438)
Other income (expense), net	153	85	21	243
Loss before income taxes	(3,196)	(4,402)	(7,127)	(8,154)
Income tax expense	—	(37)	(36)	(37)
Net loss	\$ (3,196)	\$ (4,439)	\$ (7,163)	\$ (8,191)
Net loss per share, basic and diluted	\$ (0.13)	\$ (0.21)	\$ (0.30)	\$ (0.41)
Weighted-average number of shares used to compute net loss per share, basic and diluted	24,164,569	21,085,749	24,012,761	19,830,265

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

Exagen Inc.
Unaudited Condensed Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances as of December 31, 2025	22,911,575	\$ 23	\$ 331,708	\$ (314,282)	\$ 17,449
Issuance of stock from cashless warrant exercises	804,788	1	(1)	—	—
Issuance of stock from vested restricted stock units	275,671	—	—	—	—
Issuance of stock under Employee Stock Purchase Plan	96,023	—	295	—	295
Stock-based compensation	—	—	655	—	655
Net loss	—	—	—	(3,967)	(3,967)
Balances as of March 31, 2026	24,088,057	24	332,657	(318,249)	14,432
Issuance of stock from vested restricted stock units	105,044	—	—	—	—
Stock-based compensation	—	—	980	—	980
Net loss	—	—	—	(3,196)	(3,196)
Balances as of June 30, 2026	24,193,101	\$ 24	\$ 333,637	\$ (321,445)	\$ 12,216

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

Exagen Inc.
Unaudited Condensed Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balances as of December 31, 2024	17,640,328	\$ 18	\$ 303,853	\$ (294,331)	\$ 9,540
Issuance of stock from vested restricted stock units	229,151	—	—	—	—
Issuance of stock under Employee Stock Purchase Plan	80,554	—	198	—	198
Stock-based compensation	—	—	417	—	417
Net loss	—	—	—	(3,752)	(3,752)
Balances as of March 31, 2025	17,950,033	18	304,468	(298,083)	6,403
Issuance of stock from public offering, net of issuance costs of \$1,598	3,852,500	4	18,623	—	18,627
Issuance of stock from warrant exercises	107,969	—	—	—	—
Issuance of stock on vesting of restricted stock units	88,129	—	—	—	—
Exercise of stock options	108	—	—	—	—
Stock-based compensation	—	—	443	—	443
Net loss	—	—	—	(4,439)	(4,439)
Balances as of June 30, 2025	<u>21,998,739</u>	<u>\$ 22</u>	<u>\$ 323,534</u>	<u>\$ (302,522)</u>	<u>\$ 21,034</u>

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

Exagen Inc.
Unaudited Condensed Statements of Cash Flows
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	\$ (7,163)	\$ (8,191)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,227	906
Amortization of debt discount and debt issuance costs	273	121
Amortization of loan commitment fees	840	184
Change in fair value of warrant liability	(456)	438
Loss on extinguishment of debt	—	295
Bad debt expense	—	455
Non-cash operating lease expense	513	473
Stock-based compensation	1,635	860
Other	(99)	146
Changes in assets and liabilities:		
Accounts receivable, net	(1,552)	(6,892)
Prepaid expenses and other current assets	(885)	798
Other assets	196	288
Operating lease liabilities	(586)	(533)
Accounts payable	201	(1,577)
Deferred revenue	817	283
Accrued and other current liabilities	(1,390)	(1,610)
Net cash used in operating activities	(6,429)	(13,556)
Cash flows from investing activities:		
Purchases of property and equipment	(771)	(322)
Proceeds from disposal of property and equipment	—	6
Net cash used in investing activities	(771)	(316)
Cash flows from financing activities:		
Proceeds from common stock issued, net of issuance costs	—	18,777
Proceeds from common stock issued under Employee Stock Purchase Plan	295	199
Principal payments on finance lease obligations	(387)	(139)
Principal payments on notes payable obligations	(340)	(265)
Proceeds from issuance of debt and warrants, net of discounts	—	23,672
Payment to extinguish debt	—	(19,705)
Payment of debt issuance costs	—	(670)
Net cash used in financing activities	(432)	21,869
Net decrease in cash, cash equivalents and restricted cash	(7,632)	7,997
Cash, cash equivalents and restricted cash, beginning of period	32,420	22,236
Cash, cash equivalents and restricted cash, end of period	\$ 24,788	\$ 30,233
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,712	\$ 1,222
Supplemental disclosure of non-cash items:		
Unpaid equipment settled under financing arrangement	\$ —	\$ 682
Right-of-use assets obtained in exchange for lease liabilities	\$ 1,031	\$ —
Recognition of warrant liability	\$ —	\$ 3,525
Unpaid financing costs included in accounts payable and accrued liabilities	\$ —	\$ 350
Costs incurred, but not paid, in connection with capital expenditures	\$ 110	\$ —

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

Exagen Inc.
Notes to Unaudited Interim Condensed Financial Statements

Note 1. Organization

Description of Business

Exagen Inc. (the Company) is a medical technology company primarily focused on the design, development and commercialization of a next-generation portfolio of testing products under the AVISE® brand, which allow for the differential diagnosis, prognosis and monitoring of complex rheumatic, autoimmune and autoimmune-related disease including, among others, systemic lupus erythematosus (SLE) and rheumatoid arthritis (RA).

Liquidity

The Company has incurred recurring losses and negative cash flows from operating activities since inception. The Company anticipates that it will continue to incur net losses in future periods. As of June 30, 2026, the Company had cash and cash equivalents of \$24.6 million and had an accumulated deficit of \$321.4 million. Since inception, the Company has financed its operations primarily through a combination of equity financings, debt financing arrangements, and revenue from sales of the Company's products. Based on the Company's current business plan, management believes that its existing capital resources will be sufficient to fund the Company's obligations for at least twelve months following the issuance of these condensed financial statements. Consistent with historical practice, the Company held claims in the three months ended March 31, 2026, which resulted in increases in its accounts receivable and an accelerated decrease in its cash and cash equivalents in the three months ended March 31, 2026, and a reversal of that trend occurred during the three months ended June 30, 2026 and is expected to continue in the remaining two quarters of the fiscal year ending December 31, 2026.

To execute its business plans, the Company may need additional funding to support its continuing operations and pursue its growth strategy. Until such time as the Company can achieve significant cash flows from operations, if ever, it may need to finance its operations through the sale of its common stock, debt financings or other strategic transactions. Although the Company has been successful in raising capital in the past, there is no assurance that it will be successful in obtaining such additional financing on terms acceptable to the Company, if at all. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. Although management believes the Company's existing capital resources are adequate to fund operations for the next twelve months, if the Company is unable to obtain additional funding in the future, the Company could be forced to delay, reduce or eliminate some or all of its programs, product portfolio expansion plans or commercialization efforts, which could have a material adverse effect on the Company's business, operating results and financial condition and the Company's ability to achieve its intended business objectives.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying unaudited interim condensed balance sheets as of June 30, 2026, condensed statements of operations and stockholders' equity for the three and six months ended June 30, 2026 and 2025, cash flows for the six months ended June 30, 2026 and 2025 and the related footnote disclosures are unaudited and have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (SEC), and with accounting principles generally accepted in the United States (GAAP) applicable to interim financial statements. These unaudited condensed financial statements and related footnote disclosures should be read in conjunction with the Company's audited financial statements for the fiscal year ended December 31, 2025, included in its Annual Report on Form 10-K filed with the SEC on March 10, 2026 (the 2025 Annual Report). In management's opinion, the unaudited interim condensed financial statements have been prepared on the same basis as the audited financial statements included in the 2025 Annual Report and include all normal adjustments, necessary for the fair presentation of the Company's financial position as of June 30, 2026 and its results of operations for the periods presented. The results for the three and six months ended June 30, 2026 are not necessarily indicative of the results expected for the full fiscal year or any other interim period. The year-end condensed balance sheet data

was derived from audited financial statements, but does not include all disclosures required by GAAP. Certain reclassifications have been made to prior period amounts to conform to the current presentation.

The preparation of the accompanying unaudited condensed financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the condensed financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could materially differ from those estimates.

Significant estimates and assumptions made in the accompanying unaudited condensed financial statements include, but are not limited to revenue recognition, stock-based compensation, the fair value of the warrant liability, the estimated incremental borrowing rate for the determination of the Company's operating and finance lease right-of-use (ROU) assets, and the recoverability of its long-lived assets and net deferred tax assets (and related valuation allowance). The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from those estimates.

Concentration of Credit Risk and Other Risk and Uncertainties

Financial instruments that potentially subject the Company to credit risk consist principally of cash, cash equivalents and accounts receivable. Substantially all the Company's cash and cash equivalents are held at one financial institution that management believes is of high credit quality. Such deposits may, at times, exceed federally insured limits. The Company has not experienced any losses on its cash or cash equivalents.

Significant payors and customers are those which represent more than 10% of the Company's total revenue or accounts receivable balance at each respective balance sheet date. For each significant payor and customer, revenue as a percentage of total revenue and accounts receivable as a percentage of total accounts receivable are as follows:

	Revenue			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Customer A	25 %	23 %	25 %	23 %
Customer B	17 %	16 %	19 %	17 %
Customer C	*	*	*	10 %
Customer D	*	10 %	*	*

	Accounts Receivable, Net	
	June 30, 2026	December 31, 2025
Customer A	18 %	23 %
Customer B	32 %	19 %
Customer C	*	14 %

For the three months ended June 30, 2026 and 2025, approximately 89% and 91%, respectively, of the Company's revenue was related to the AVISE® CTD test. Revenue related to AVISE® CTD test for the six months ended June 30, 2026 and 2025 was approximately 90% and 91%, respectively.

The Company is dependent on key suppliers for certain laboratory materials, consisting primarily of reagents and biomarkers used in our diagnostic tests. For the three months ended June 30, 2026 and 2025 approximately 93% and 87%, respectively, of the Company's diagnostic testing supplies were purchased from two suppliers. For the six months ended June 30, 2026 and 2025 approximately 96% and 92%, respectively, of the Company's diagnostic testing supplies were purchased from two suppliers. An interruption in the supply of these materials would impact the Company's ability to perform testing services.

Disaggregation of Revenue

The following table includes the Company's revenues as disaggregated by payor and customer category (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Commercial	\$ 10,352	\$ 8,811	\$ 19,828	\$ 17,571
Government	5,206	3,926	9,487	7,633
Client direct bill(1)	4,275	4,371	7,725	7,367
Other(2)	108	94	207	129
Total revenue	<u>\$ 19,941</u>	<u>\$ 17,202</u>	<u>\$ 37,247</u>	<u>\$ 32,700</u>

(1) Includes hospitals, other laboratories, etc.

(2) Includes patient self-pay.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with a remaining maturity date of three months or less upon acquisition to be cash equivalents. These investments are stated at cost, which approximates fair value.

The Company has an arrangement with a financial institution with which it has an existing banking relationship, whereby in exchange for the issuance of corporate credit cards, the Company agreed to obtain a certificate of deposit with this financial institution in the amount of \$0.2 million as collateral for the balances borrowed on these cards (the Credit Card Program). The Company has classified the value of this certificate of deposit (including all interest earned thereon) within other assets in the accompanying balance sheets. The Company has the right to terminate the Credit Card Program at any time. Upon termination of the Credit Card Program and repayment of all outstanding balances owed, the Company may redeem the certificate of deposit (and all interest earned thereon).

Cash, cash equivalents and restricted cash presented in the accompanying condensed statements of cash flows consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Cash and cash equivalents	\$ 24,588	\$ 32,220
Restricted cash	200	200
Total cash, cash equivalents and restricted cash	<u>\$ 24,788</u>	<u>\$ 32,420</u>

Long-Lived Assets

The Company's long-lived assets are comprised principally of its property and equipment and operating lease assets. The Company amortizes all finite-lived intangible assets over their respective estimated useful lives. Operating lease assets are amortized over the term of the leases. In considering whether long-lived assets are impaired, the Company combines its long-lived assets into groupings, a determination which is made principally on the basis of whether the assets are specific to a particular test offered or technology being developed. If the Company identifies a change in the circumstances related to its long-lived assets that indicates the carrying value of any such asset may not be recoverable, the Company will perform an impairment analysis. A long-lived asset is deemed to be impaired when the undiscounted cash flows expected to be generated by the asset (or asset group) are less than the asset's carrying amount. Management's estimates of future cash flows are impacted by projected test volume and levels of reimbursement, as well as expectations related to the future cost structure of the entity. Any required impairment loss would be measured as the amount by which the asset's carrying value exceeds its fair value, and would be recorded as a reduction in the carrying value of the related asset and a charge to operating expense.

Revenue Recognition

Substantially all of the Company's revenue has been derived from sales of its testing products and is primarily comprised of a high volume of relatively low-dollar transactions. The Company primarily markets its testing products to rheumatologists and their physician assistants in the United States. The healthcare professionals who order the Company's testing products and to whom test results are reported are generally not responsible for payment for these products. The parties that pay for these services (each, a payor) consist of commercial payors (healthcare insurers), government payors (primarily Medicare and Medicaid), client payors (hospitals, other laboratories, etc.) and patient self-pay.

The Company recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606) and follows a five-step process to determine the amount and timing of revenue recognized: (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to performance obligations in the contract, and (5) recognize revenue when (or as) the performance obligation is satisfied. The Company's service is a single performance obligation that is completed upon the delivery of test results to the prescribing physician which triggers revenue recognition.

Payors are generally billed at the Company's list price, unless a separate pricing contract is in place. Net revenues recognized consist of amounts billed net of allowances for differences between amounts billed and the estimated consideration the Company expects to receive from such payors. The process for estimating revenues and the ultimate collection of accounts receivable involves significant judgment and estimation. The Company follows a standard process, which considers historical denial and collection experience, insurance reimbursement policies and other factors, to estimate allowances and implicit price concessions. Adjustments are recorded in the current period as changes in estimates occur. Further adjustments to the allowances, based on actual receipts, are recorded upon settlement. Included in revenues for the three months ended June 30, 2026 and 2025 were net revenue increases of \$1.3 million and \$0.1 million, respectively, associated with changes in estimated variable consideration related to performance obligations satisfied in previous periods. Included in revenues for the six months ended June 30, 2026 and 2025 were net revenue increases of \$2.1 million and \$1.0 million, respectively, associated with changes in estimated variable consideration related to performance obligations satisfied in previous periods. The transaction price is estimated using an expected value method on a portfolio basis.

Variable consideration is included in the transaction price only to the extent it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainties with respect to the amount are resolved. The Company's portfolios are grouped per payor (i.e. each individual commercial payor, Medicare, Medicaid, client payors, patient self-pay, etc.) and per test. Consideration may be constrained and excluded from the transaction price in situations where there is no contractually agreed upon reimbursement coverage or in absence of a predictable pattern and history of collectability with a payor. Accordingly, in such situations revenues are recognized on the basis of actual cash collections. Additionally, from time to time, the Company may issue refunds to payors for overpayments or amounts billed in error. Any refunds are accounted for as reductions in revenues in the condensed statements of operations as an element of variable consideration. The estimated expected refunds are accrued as a liability on the Company's condensed balance sheets.

Collection of the Company's net revenues from payors is normally a function of providing complete and correct billing information, along with any requested medical or other claims-related information to the healthcare insurers. This generally occurs within 30 to 90 days of billing, however, the amount and timing of any reimbursements or collections for the Company's billed tests may vary by payor and other circumstances. Contracts do not contain significant financing components based on the typical period of time between performance of services and collection of consideration.

Amounts received prior to satisfying the above revenue recognition criteria are recognized as deferred revenue until all applicable revenue recognition criteria are met. Deferred revenue represents the portion of payments received that have not been earned. Throughout the year ended December 31, 2025, the Company entered into various work orders to perform diagnostic testing services, including identifying and evaluating biomarkers. The Company received nonrefundable, upfront payments for these services. The Company had deferred revenue related to these contracts of \$1.5 million and \$0.7 million as of June 30, 2026 and December 31, 2025, respectively. The Company recognized revenue of \$0.4 million and \$0.2 million out of the beginning deferred revenue balance during the six months ended June 30, 2026 and 2025, respectively. The Company expects to recognize revenue from unfulfilled performance obligations associated with service contracts within one year or less.

Accounts Receivable and Allowance for Credit Losses

The Company accrues an allowance for credit losses against its accounts receivable based on management's current estimate of amounts that will not be collected. Management's estimates are typically based on historical loss information adjusted for current conditions. The Company generally does not perform evaluations of the financial condition of the Company's customers and generally does not require collateral. The allowance for credit losses was zero as of June 30, 2026 and December 31, 2025. Adjustments for implicit price concessions attributable to variable consideration, as discussed above, are incorporated into the measurement of the accounts receivable balances and are not part of the allowance for credit losses. Accounts receivable was \$12.4 million and \$10.9 million at June 30, 2026 and December 31, 2025, respectively.

Loan Commitment Fees

Loan commitment fees are generally included as a reduction of the proceeds from the outstanding debt. If there were no borrowings drawn on the related credit facility, the loan commitment fees are classified as assets until the related debt is drawn. The Company's loan commitment fee is comprised of an upfront cash payment and a contingent obligation to issue future warrants to Perceptive Credit Holdings IV, LP (Perceptive) in connection with the Credit Agreement and Guaranty, dated April 25, 2025 (Credit Agreement). The Company recorded \$0.5 million in prepaid expenses and other current assets on the condensed balance sheets as of June 30, 2026. As the Company is not reasonably certain it will draw on the future debt tranches, the loan commitment fees are amortized ratably into interest expense over the outstanding draw periods. During the three and six months ended June 30, 2026, the Company recognized \$0.2 million and \$0.4 million, respectively, in non-cash interest expense related to the amortization of the loan commitment fees within the Company's condensed statements of operations. During each of the three and six months ended June 30, 2025, the Company recognized \$0.2 million in non-cash interest expense related to the amortization of the loan commitment fees within the Company's condensed statements of operations. During the six months ended June 30, 2026, the Company recognized a loss of \$0.4 million within other income (expense), net on the condensed statements of operations as a result of accelerating the amortization of the loan commitment fees asset recorded in connection with the Tranche C Loan (as defined below), which was terminated pursuant to the First Amendment (as defined below). See "Note 4. *Borrowings—Perceptive Term Loan Facility*" for more information.

Stock-Based Compensation

The Company recognizes compensation expense for all stock-based awards to employees and directors based on the grant-date estimated fair values over the requisite service period of the awards (usually the vesting period) on a straight-line basis. The fair value of stock options and purchases under the Company's 2019 Employee Stock Purchase Plan (ESPP) is determined using the Black-Scholes-Merton (BSM) option pricing model, which requires management to make certain assumptions regarding a number of complex and subjective variables. Equity award forfeitures are recorded as they occur.

The BSM option pricing model incorporates various inputs, including the fair value of the Company's common stock, expected volatility, expected term and risk-free interest rates. Volatility is based on the Company's historical calculated volatility since being publicly traded. The Company computes the historical volatility data using the daily closing prices of the Company's common stock during the equivalent period that approximates the calculated expected term of the stock options. The weighted-average expected term of options was calculated using the simplified method, as the Company has concluded that its stock option exercise history does not provide a reasonable basis upon which to estimate the expected term. The risk-free interest rate for periods within the contractual term of the option is based on the U.S. Treasury yield in effect at the time of grant. The dividend yield is zero, as the Company has never declared or paid dividends and has no plans to do so in the foreseeable future.

The fair value of each restricted stock unit (RSU) is determined on the grant date using the closing price of the Company's common stock on that date. The Company's RSUs generally vest in equal annual installments over four years from the date of grant or, for grants to new hires, date of hire. Vesting of the RSU is subject to the holder's continued service with the Company. The Company issues new shares of common stock to satisfy the RSUs upon vesting.

The Company grants certain performance-based restricted stock units (PSUs) to its executive officers as part of its long-term incentive plan. The PSUs vest based on the achievement of both pre-determined market conditions and service conditions over a specified performance period. The Company issues new shares of common stock to satisfy the PSUs upon vesting and the PSUs are not settleable for cash. The fair value of the Company's PSUs is determined on the grant date using a Monte Carlo simulation model.

Comprehensive Loss

Comprehensive loss is defined as a change in equity of a business enterprise during a period, resulting from transactions from nonowner sources. There have been no items qualifying as other comprehensive loss and, therefore, for all periods presented, the Company's comprehensive loss was the same as its reported net loss.

Net Loss Per Share

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common stock equivalents outstanding for the period determined using the treasury-stock and if-converted methods. The weighted-average number of shares used to compute basic and diluted shares includes shares issuable upon the exercise of pre-funded warrants at a nominal price. Potentially dilutive common stock equivalents are comprised of warrants for the purchase of common stock, stock options, RSUs and PSUs outstanding under the Company's 2019 Incentive Award Plan (the 2019 Plan) and shares of the Company's common stock pursuant to the ESPP. For each of the three and six months ended June 30, 2026 and 2025, there was no difference in the number of shares used to calculate basic and diluted shares outstanding as the inclusion of the potentially dilutive securities would be anti-dilutive.

Potentially dilutive securities not included in the calculation of diluted net loss per share, because to do so would be anti-dilutive, are as follows (in common stock equivalent shares):

	June 30, 2026	June 30, 2025
Warrants to purchase common stock	—	580,339
Common stock options	931,506	564,441
Restricted stock units	1,973,952	1,679,624
Performance stock units	800,000	—
Employee stock purchase plan	75,562	54,454
Total	3,781,020	2,878,858

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB), or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, Accounting Standards Updates (ASU) 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 financial statements or disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures* (Subtopic 220-40) (ASU 2024-03). This update requires entities to include more detailed information about the types of expenses, including purchases of inventory, employee compensation, depreciation, amortization, and depletion, in commonly presented expense captions such as cost of sales, research and development, and selling, general and administrative expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company determined that the adoption of this standard will not have a material impact on its financial statements.

Recently Adopted Accounting Standards

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* (ASU 2025-05). ASU 2025-05 amends ASC 326-20 to provide 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. ASU 2025-05 is effective for annual periods beginning after December 15, 2025, and interim reporting periods within that annual period, with early adoption permitted. The Company adopted this standard in 2026 and determined that it did not have a material impact on the Company's financial statements.

Note 3. Other Financial Information

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Diagnostic testing supplies	\$ 4,159	\$ 3,296
Prepaid maintenance and insurance contracts	1,161	1,302
Loan commitment fees	505	1,182
Other prepaid expenses and other current assets	37	38
Prepaid expenses and other current assets	<u>\$ 5,862</u>	<u>\$ 5,818</u>

Property and Equipment, net

Property and equipment, net consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Furniture and fixtures	\$ 121	\$ 121
Laboratory equipment	5,562	4,530
Computer equipment and software	2,421	2,121
Leasehold improvements	3,377	3,308
Finance lease right-of-use assets	3,061	3,708
Construction in progress	384	294
Total property and equipment	14,926	14,082
Less: accumulated depreciation and amortization	(8,361)	(7,144)
Property and equipment, net	<u>\$ 6,565</u>	<u>\$ 6,938</u>

Depreciation and amortization expense for the three months ended June 30, 2026 and 2025 was approximately \$0.6 million and \$0.5 million, respectively. Depreciation and amortization expense for the six months ended June 30, 2026 and 2025 was approximately \$1.2 million and \$0.9 million, respectively. At each of June 30, 2026 and December 31, 2025, the gross book value of assets under finance leases was \$3.7 million.

Accrued and Other Current Liabilities

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

	June 30, 2026	December 31, 2025
Accrued payroll and related expenses	\$ 4,077	\$ 5,411
Other accrued liabilities	862	916
Accrued and other current liabilities	<u>\$ 4,939</u>	<u>\$ 6,327</u>

Note 4. Borrowings

Perceptive Term Loan Facility

On April 25, 2025, the Company and Perceptive entered into the Credit Agreement with Perceptive, which originally provided for a senior secured delayed draw term loan facility in an aggregate principal amount of up to \$75.0 million (the Perceptive Term Loan Facility) broken into four tranches. An initial tranche of \$25.0 million (the Tranche A Loan) was funded on April 25, 2025, of which \$19.7 million was used to repay the 2017 Term Loan (as defined below) with Innovatus Life Sciences Lending Fund I, LP (Innovatus). The original Credit Agreement provided for three additional tranches of funding: up to \$10.0 million (the Tranche B Loan), \$10.0 million (the Tranche C Loan), and \$30.0 million

(the Tranche D Loan, and collectively with the Tranche A Loan, the Tranche B Loan and the Tranche C Loan, the Term Loans) to be drawn at the Company's option subject to the Company's satisfaction of certain conditions, including specified revenue milestones.

On March 6, 2026, the Company and Perceptive entered into a first amendment to the Credit Agreement (First Amendment). This amendment, among other changes, terminated the Tranche C Loan, extended the availability of the \$10.0 million Tranche B Loan to September 30, 2026, increased the trailing twelve-month net revenue milestone applicable to the Tranche B Borrowing Date (as defined therein), and revised certain financial covenant thresholds. As amended, the Perceptive Term Loan Facility allows the Company to draw up to an aggregate additional principal amount of \$40.0 million in two tranches, subject to specified milestone and revenue requirements. The First Amendment did not change the stated maturity of the existing Term Loans and reaffirmed the existing liens and guarantees securing the Perceptive Term Loan Facility.

The Perceptive Term Loan Facility matures on April 25, 2030, and includes an interest-only period through maturity, with all outstanding principal and accrued interest due on the maturity date.

The Perceptive Term Loan Facility accrues interest at an annual rate equal to the greater of (i) Term Secured Overnight Financing Rate (SOFR) or (ii) 4.75%, plus a margin of 7.0% (the Applicable Margin), or 11.75% as of June 30, 2026, payable monthly in arrears. Upon the occurrence and during the continuance of an event of default, the Applicable Margin may be increased by 4.0% at Perceptive's election. The Company may prepay the Term Loans at any time, subject to prepayment premiums ranging from 2.0% to 10.0% of the principal amount, depending on the date of prepayment.

The Credit Agreement is secured by a first-priority lien on substantially all of the Company's existing and future assets and includes customary affirmative, negative, and financial covenants. These include, among others, restrictions on additional indebtedness, liens, dividends, mergers and acquisitions, and affiliate transactions. The Credit Agreement also requires that the Company maintain a minimum unrestricted cash balance of \$3.0 million and achieve specified net revenue levels on a quarterly basis. As of June 30, 2026, the Company was in compliance with all covenants required under the Credit Agreement.

In addition, on April 25, 2025, as consideration for the Credit Agreement, the Company issued to Perceptive a warrant certificate to purchase up to 1,150,000 shares of common stock (the Warrant Certificate), 400,000 of which vested and became exercisable on the date of issuance (Tranche A Warrant Shares), and warrants to purchase up to 750,000 shares of the Company's common stock were subject to vest and would become exercisable if and when the additional debt tranches were drawn by the Company. As a result of the First Amendment, the number of shares of common stock subject to future vesting pursuant to the Warrant Certificate was reduced from up to 750,000 shares of common stock to up to 600,000 shares of common stock that may vest and become exercisable if and when the remaining additional debt tranches are drawn by the Company.

The Warrant Certificate has a ten-year term from the applicable vesting date and includes broad-based weighted anti-dilution protection for certain dilutive issuances and for certain recapitalization events and registration rights provisions. In November 2025, Perceptive exercised all 400,000 Tranche A Warrant Shares on a cashless basis and the Company issued a total of 173,220 shares of the common stock to Perceptive.

The Company concluded that the Warrant Certificate qualifies for liability classification and recorded the fair value at issuance of the Tranche A Warrant Shares of \$2.2 million as a debt discount. The Company also recognized debt issuance costs of \$1.4 million as additional debt discount. These amounts are amortized over the remaining term of the Perceptive Term Loan Facility under the effective interest method. The proportionate amount of the upfront closing fee paid of \$1.1 million and the fair value of \$1.3 million related to the contingent warrants that may be issued for future debt tranches are recorded as a loan commitment asset and amortized as discussed in "Note 2. *Summary of Significant Accounting Policies.*"

During the six months ended June 30, 2026, the Company recognized a loss of \$0.4 million within other income (expense), net on the condensed statements of operations as a result of accelerating the amortization of the loan commitment fees asset recorded in connection with the Tranche C Loan.

For the three months ended June 30, 2026 and 2025, the Company recognized \$1.1 million and \$0.8 million of interest expense, respectively, including \$0.2 million and \$0.1 million of debt discount amortization in connection with the Perceptive Term Loan Facility, respectively. For the six months ended June 30, 2026 and 2025, the Company recognized \$2.2 million and \$0.8 million of interest expense, respectively, including \$0.3 million and

\$0.1 million for debt discount amortization in connection with the Perceptive Term Loan Facility, respectively. The effective interest rate was 16.2% per annum. As of June 30, 2026, the Perceptive Term Loan Facility had a carrying value of \$22.0 million, classified within borrowings, non-current, net of discounts and debt issuance costs in the accompanying condensed balance sheets.

2017 Term Loan

In September 2017, the Company executed a term loan agreement (the 2017 Term Loan) with Innovatus, as amended (the Amended Loan Agreement), pursuant to which the Company borrowed \$25.0 million. On April 25, 2025, the Company fully repaid all \$19.7 million in outstanding indebtedness owed to Innovatus pursuant to its Amended Loan Agreement and terminated the agreement.

Equipment Notes Payable

In May 2022, the Company purchased laboratory equipment in the normal course of business using notes payable. In January 2025, the Company entered into a financing arrangement to procure additional laboratory equipment. At June 30, 2026, the total liability balance related to the financed equipment was \$0.9 million, with \$0.5 million classified within borrowings, current and \$0.4 million within borrowings, non-current, net of discounts and debt issuance costs in the accompanying condensed balance sheets. At December 31, 2025, the total liability balance related to the financed equipment was \$1.2 million, with \$0.6 million classified within borrowings, current and \$0.6 million within borrowings, non-current, net of discounts and debt issuance costs in the accompanying condensed balance sheets. The financed equipment is subject to effective interest rates between 5.28% and 10.50%, and will mature between October 1, 2026 and April 1, 2028.

Future Minimum Payments on the Outstanding Borrowings

As of June 30, 2026, future minimum aggregate payments, including interest, for outstanding borrowings for each of the years ending December 31 were as follows (in thousands):

2026 (remaining)	\$	1,839
2027		3,450
2028		3,117
2029		2,978
2030		25,930
Total		37,314
Less:		
Unamortized debt discount and issuance costs		(3,032)
Interest		(11,443)
Total borrowings, net of discounts and debt issuance costs		22,839
Less: Borrowings, current		(517)
Borrowings, non-current, net of discounts and debt issuance costs	\$	<u>22,322</u>

Note 5. Commitments and Contingencies

Licensing Agreements

The Company has licensed technology for use in its diagnostic tests. In addition to the milestone payments required by these agreements, individual license agreements generally provide for ongoing royalty payments of less than 1% on net sales of products which incorporate licensed technology, as defined in such agreements. Royalties are accrued when incurred and recorded in cost of revenue in the accompanying condensed statements of operations.

Supply Agreements

In July 2025, the Company amended a supply agreement (the Amended Supply Agreement) with one of its suppliers for certain reagents, which includes updated pricing terms, an extended term through June 30, 2029, and minimum purchase commitments for consumable products used in the Company's diagnostic biomarkers. Pursuant to the Amended Supply Agreement, the Company is provided equipment by the supplier to be used by the Company in connection with the consumable products. The aggregate minimum annual purchase commitment for the duration of the Amended Supply Agreement is \$24.0 million, including a minimum purchase commitment of \$3.0 million for the year ending December 31, 2025, \$6.0 million for each of the years ending December 31, 2026 through 2028 and \$3.0 million for the six month period ending June 30, 2029.

The Company accounts for the Amended Supply Agreement as an embedded finance lease for the equipment provided, with the reagents as a non-lease component accounted for separately. The minimum purchase commitments for the reagents represent in-substance fixed contract consideration and are recorded based on the relative fair value of the equipment of \$3.1 million as a ROU asset and related lease liability. As of June 30, 2026, the Company had a finance lease ROU asset of \$2.5 million and lease liabilities of \$2.5 million on the Company's balance sheets related to the embedded finance lease. For the three and six months ended June 30, 2026, the Company recorded interest expense of \$0.1 million and \$0.2 million, respectively, related to this embedded finance lease on the Company's statements of operations.

Operating Leases

In June 2026, the Company amended its lease for office and laboratory space in Vista, California to extend the term by an additional 39 months through July 2030. As a result of the lease modification, the Company remeasured the lease liability and recorded an increase of approximately \$1.0 million to both operating lease liabilities and operating lease ROU assets on the Company's condensed balance sheets.

Contingencies

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications, including for subpoenas and other civil investigative demands, from governmental agencies, Medicare or Medicaid and managed care organizations reviewing billing practices or requesting comment on allegations of billing irregularities that are brought to their attention through billing audits or third parties. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but have not yet been made or that the Company believes to be immaterial. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated.

Litigation

From time to time, the Company may be subject to various legal proceedings that arise in the ordinary course of business activities. The Company is not currently party to any material legal proceedings.

Note 6. Fair Value Measurements

The carrying values of the Company's cash, cash equivalents and restricted cash, accounts receivable, prepaid expenses and other current assets, accounts payable and accrued and other current liabilities are determined to be a Level 1 measurement. The carrying values of these items approximate their fair values due to their short-term nature. The estimated fair value of the Company's long-term borrowings is determined by Level 2 inputs and based primarily on quoted market prices for the same or similar issues. As of June 30, 2026, the Perceptive Term Loan Facility had a carrying value of \$22.0 million and a fair value of \$23.3 million. As of December 31, 2025, the Perceptive Term Loan Facility had a carrying value of \$21.7 million and a fair value of \$22.6 million. The estimated fair value of the Perceptive Term Loan Facility was determined based on a discounted cash flow approach using available market information on discount and borrowing rates with similar terms, maturities, and credit ratings. The aggregate carrying value of the Company's other long-term borrowings as of June 30, 2026 and December 31, 2025 was \$0.9 million and \$1.2 million, respectively, and approximated its fair value.

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between

market participants on the measurement date. Techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the valuation hierarchy for disclosure of fair value measurements are defined as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, unadjusted quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity for the related assets or liabilities.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following table sets forth the Company's financial instruments that were measured at fair value on a recurring basis within the fair value hierarchy (in thousands):

June 30, 2026				
	Total	Level 1	Level 2	Level 3
Liabilities:				
Warrant liability	\$ 1,193	\$ —	\$ —	\$ 1,193

December 31, 2025				
	Total	Level 1	Level 2	Level 3
Liabilities:				
Warrant liability	\$ 1,752	\$ —	\$ —	\$ 1,752

The fair value of the Company's money market funds is based on quoted market prices.

Warrant Liability

The Company recorded a liability for the Warrant Certificate issued in connection with the Perceptive Term Loan Facility at fair value utilizing a probability-weighted BSM option pricing model using significant unobservable inputs consisting of the Company's probability assessment of drawing future debt tranches, the inputs used for the Company's stock-based compensation expense adjusted for the Warrant Certificate's expected term, which is calculated based on the remaining contractual term, and the fair value of the underlying common stock. As such, the Warrant Certificate liability was determined to be a Level 3 fair value measurement.

The assumptions used in the BSM option pricing model to determine the fair value of the warrant liability were as follows:

	June 30, 2026	December 31, 2025
Fair value of underlying common stock	\$ 4.65	\$ 6.08
Exercise price	\$4.65 - \$5.23	\$6.08 - \$6.84
Risk-free interest rate	4.4%	4.2%
Expected volatility	85.5%	85.6%
Expected term (in years)	10.0	10.0
Expected dividend yield	—%	—%

The probability assessment considers both the likelihood of the Company satisfying certain conditions, including specified revenue milestones, which give the Company the option to draw future debt tranches as well as the likelihood that the Company will exercise the right to draw one or more future debt tranches. The Company assessed these factors at inception and as of June 30, 2026 and applied a weighted-average probability of approximately 50% as of June 30, 2026 in the measurement of fair value, given current and forecasted capital needs. Significant increases or decreases in the probability assessment in future periods may increase or decrease the fair value estimate of the warrant liability, respectively. The interrelationship between these inputs is insignificant.

The Tranche A Warrant Shares were fully exercised on November 11, 2025 and the fair value was remeasured as of the exercise date and reclassified to stockholders' equity.

In March 2026, the Company entered into the First Amendment which, among other changes, terminated the Tranche C Loan and reduced the number of shares of common stock subject to future vesting pursuant to the Warrant Certificate by 150,000 shares of common stock (the Tranche C Warrant Shares). The fair value of the Tranche C Warrant Shares was remeasured immediately prior to the First Amendment date and the Company recognized a \$0.1 million gain within other income (expense), net on the Company's condensed statements of operations, in connection with the reduction in the shares that may become exercisable pursuant to the Warrant Certificate.

The following table provides a reconciliation of the warrant liability measured at fair value using Level 3 significant unobservable inputs (in thousands):

	Warrant Liability
Balance at December 31, 2025	\$ 1,752
Change in fair value of warrant liability	(456)
Termination of Tranche C Warrant Shares	(103)
Balance at June 30, 2026	<u>\$ 1,193</u>

Note 7. Stockholders' Equity

Common Stock

Shelf Registration Statement

On November 17, 2023, the Company filed a registration statement on Form S-3, as amended (the 2023 Shelf Registration Statement), covering the offering, from time to time, of up to \$150.0 million of the Company's common stock, preferred stock, debt securities, warrants and units. The 2023 Shelf Registration Statement became effective on November 29, 2023, and \$126.2 million remained available for sale as of June 30, 2026.

At The Market Sales Agreement

On September 15, 2022, the Company entered into the Sales Agreement, as amended by Amendment No. 1 to Sales Agreement dated November 17, 2023 (the Amended Sales Agreement), with TD Securities (USA) LLC (TD Cowen), as sales agent, pursuant to which the Company may offer and sell, from time to time, shares of the Company's common stock having an aggregate offering price of up to \$50.0 million. The Company is not obligated to sell any shares of the Company's common stock in the offering. As of December 31, 2025, the Company has sold 360,554 shares of its common stock under the Amended Sales Agreement at an average price per share of \$9.82, for gross proceeds of approximately \$3.5 million and net proceeds of approximately \$3.4 million after deducting \$0.1 million in commissions paid to TD Cowen and other offering expenses payable by the Company. During the six months ended June 30, 2026, the Company did not sell any shares of its common stock pursuant to the Amended Sales Agreement.

2025 Public Offering

On May 8, 2025, the Company entered into an underwriting agreement with Canaccord Genuity LLC (the Underwriter) relating to the issuance and sale of an aggregate of 3,852,500 shares of its common stock, including 502,500 shares of the Company's common stock issued and sold pursuant to the exercise in full of the Underwriter's option to purchase additional shares, to the Underwriter at a price to the public of \$5.25 per share (the 2025 Public Offering). The 2025 Public Offering closed on May 9, 2025. The net proceeds to the Company from the

2025 Public Offering were approximately \$18.6 million after deducting \$1.6 million of the underwriting discounts and commissions and other offering expenses payable by the Company.

Warrants

As of June 30, 2026, the Company did not have any outstanding equity classified warrants to purchase common stock of the Company.

In connection with the Perceptive Term Loan Facility, the Company may issue warrants for the purchase of up to an additional 600,000 shares of the Company's common stock if and when the Company satisfies certain conditions and chooses to draw additional debt tranches during the respective draw periods.

The Company issued a total of 804,788 shares of common stock upon the cashless exercise of certain warrants during the six months ended June 30, 2026. The Company did not issue any shares of common stock upon the exercise of warrants during the three months ended June 30, 2026. The Company issued a total of 107,969 shares of common stock upon the cashless exercise of certain warrants during each of the three and six months ended June 30, 2025.

Note 8. Stock Option Plan

2019 Incentive Award Plan

In September 2019, the Company's Board of Directors (the Board) adopted, and the Company's stockholders approved, the 2019 Plan. Under the 2019 Plan, which expires in September 2029, the Company may grant stock options, stock appreciation rights, restricted stock, RSUs, PSUs and other awards to individuals who are then employees, officers, non-employee directors or consultants of the Company or its subsidiaries. The options generally expire ten years after the date of grant and are exercisable to the extent vested. Vesting is established by the Board and is generally four years from the date of grant or, for grants to new hires, four years from the date of hire. As described below, the Board also awards PSUs to executive officers that vest upon the occurrence of performance milestones. The 2019 Plan contains an "evergreen provision" that allows annual increases in the number of shares available for issuance on the first day of each calendar year through January 1, 2029 in an amount equal to the lesser of: (i) 4% of the outstanding capital stock on each December 31st, or (ii) such lesser amount determined by the Board. Pursuant to the evergreen provision, on January 1, 2026, an additional 916,463 shares of the Company's common stock became available for issuance under the 2019 Plan. As of June 30, 2026, 1,427,318 shares of the Company's common stock remained available for future awards under the 2019 Plan.

Restricted Stock Units

RSU activity under the Company's 2019 Plan is set forth below:

	Number of Shares	Weighted- Average Grant Date Fair Value Per Share
Outstanding, December 31, 2025	1,795,639	\$ 3.85
Awards granted	656,384	\$ 3.18
Awards released	(380,715)	\$ 3.00
Awards canceled	(97,356)	\$ 3.29
Outstanding, June 30, 2026	1,973,952	\$ 3.82

As of June 30, 2026, all of the 1,973,952 outstanding RSUs were unvested. The fair value of RSUs vested in the six months ended June 30, 2026 and 2025 was \$1.4 million and \$1.3 million, respectively. The weighted-average grant date fair value per share for RSUs granted during the six months ended June 30, 2026 and 2025 was \$3.18 and \$3.97 per RSU, respectively. As of June 30, 2026, total unrecognized compensation cost related to RSUs was \$6.4 million, which is expected to be recognized over a remaining weighted-average vesting period of 2.6 years.

Performance Stock Units

In May 2026, as part of its long-term incentive plan, the Company granted a total of 800,000 PSUs to its executive officers which vest contingent upon the achievement of pre-determined market conditions and service conditions. The number of shares of common stock to be issued at vesting for these awards is calculated based on the

Company's relative total shareholder return (TSR) percentile rank measured against the Russell 2000 Index during three overlapping measurement windows which occur over a three-year period from the grant date. Vesting with respect to the TSR percentile rank ranges from zero to 200 percent of the target number of PSUs, with a maximum aggregate of 1,600,000 PSUs that may be earned. The PSUs cliff-vest at the end of the three-year period, subject to the achievement of both the market and service conditions. As of June 30, 2026, all 800,000 PSUs remained outstanding and unvested.

The Company determined the grant-date fair value of the PSUs using the Monte Carlo simulation model, which calculates the fair value of each PSU by estimating the probability of satisfying the market conditions stipulated in the awards. The assumptions used in the Monte Carlo simulation model are as follows:

	May 13, 2026
Grant-date stock price	\$ 3.47
Risk-free interest rate	3.9%
Expected volatility	80.0%
Expected term (in years)	3.0
Expected dividend yield	—%

The Company recognizes stock-based compensation expense for the PSUs ratably over the three-year performance period of the awards. The weighted-average grant date fair value per share of the PSUs granted during the six months ended June 30, 2026 was \$5.64 per PSU. As of June 30, 2026, total unrecognized compensation cost related to the PSUs was \$4.3 million, which is expected to be recognized over a remaining weighted-average vesting period of 2.9 years.

Stock Options

Stock option activity under the 2019 Plan is set forth below:

	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, December 31, 2025	526,839	\$ 6.86	6.48	\$ 957
Granted	433,700	\$ 3.81		
Forfeited	(19,000)	\$ 5.37		
Expired	(10,033)	\$ 12.81		
Outstanding, June 30, 2026	931,506	\$ 5.41	7.59	\$ 908
Vested and expected to vest, June 30, 2026	931,506	\$ 5.41	7.59	\$ 908
Options exercisable, June 30, 2026	419,054	\$ 7.42	5.07	\$ 449

There were 433,700 and 169,570 stock options granted in the six months ended June 30, 2026 and 2025, respectively. The weighted-average grant date fair value per share for options granted during the six months ended June 30, 2026 and 2025 was \$2.69 and \$3.50, respectively. The intrinsic value is calculated as the difference between the fair value of the Company's common stock and the exercise price of the stock options. No options were exercised during the six months ended June 30, 2026, and the aggregate intrinsic value of options exercised during the six months ended June 30, 2025 was zero. As of June 30, 2026, total unrecognized compensation cost related to option awards was \$1.3 million, which is expected to be recognized over a remaining weighted-average vesting period of 2.1 years.

2019 Employee Stock Purchase Plan

In September 2019, the Board adopted, and the Company's stockholders approved, the ESPP. The ESPP became effective on the day the ESPP was adopted by the Board. The ESPP permits participants to purchase shares of the Company's common stock through payroll deductions of up to 20.0% of their eligible compensation. The number of shares of the Company's common stock available for issuance under the ESPP will be annually increased on the first day of each calendar year during the term of the ESPP through January 1, 2029 in an amount equal to the

lesser of (i) 1.0% of the outstanding capital stock on each December 31st, or (ii) such lesser amount determined by the Board. Pursuant to the evergreen provision, on January 1, 2026, an additional 229,115 shares of the Company's common stock became available for issuance under the ESPP. As of June 30, 2026, 675,900 shares of the Company's common stock remained available for issuance under the ESPP. During the six months ended June 30, 2026, a total of 96,023 shares of the Company's common stock were issued under the ESPP.

Stock-Based Compensation Expense

Total non-cash stock-based compensation expense recorded related to options granted, RSUs granted, PSUs granted and stock purchase rights granted under the ESPP in the condensed statements of operations is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenue	\$ 62	\$ 60	\$ 110	\$ 115
Selling, general and administrative	740	324	1,240	670
Research and development	178	59	285	75
Total	<u>\$ 980</u>	<u>\$ 443</u>	<u>\$ 1,635</u>	<u>\$ 860</u>

Note 9. Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker (CODM) in making decisions regarding resource allocation and assessing performance. The Company views its operations as, and manages its business in, one operating segment focused on the design, development and commercialization of testing products which allow for the differential diagnosis, prognosis and monitoring of complex rheumatic, autoimmune and autoimmune-related disease. Segment revenue is primarily derived from the sale of the Company's testing products, most of which is attributable to its AVISE® CTD test.

The Company's CODM is its Chief Executive Officer. The CODM assesses performance for the segment and decides how to allocate resources based on revenue and net loss as reported on the condensed statements of operations, after taking into account the Company's strategic priorities, its cash balance and its expected use of cash. The CODM considers budget/forecast versus actual results on a quarterly basis when making decisions about the allocation of resources. The measure of segment assets is reported on the balance sheet as total assets and were \$51.9 million and \$58.0 million as of June 30, 2026 and December 31, 2025, respectively.

Segment revenue and net loss, including significant segment expenses regularly provided to the CODM are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 19,941	\$ 17,202	\$ 37,247	\$ 32,700
Cost of revenue	7,724	6,807	14,825	13,182
Gross profit	12,217	10,395	22,422	19,518
Segment operating expenses:				
Employee expense	8,154	7,535	16,562	15,083
Outside services	1,550	1,347	2,753	2,464
Facilities related	1,038	918	1,917	1,818
Travel & entertainment	779	715	1,456	1,451
Stock compensation	918	384	1,525	745
Depreciation and amortization	235	270	465	529
Other ¹	1,265	1,856	2,880	3,423
Total segment operating expenses	13,939	13,025	27,558	25,513
Loss from operations	(1,722)	(2,630)	(5,136)	(5,995)
Interest expense	(1,201)	(1,124)	(2,468)	(1,669)
Loss on extinguishment of debt	—	(295)	—	(295)
Change in fair value of warrant liability	(426)	(438)	456	(438)
Other income (expense), net	153	85	21	243
Loss before income taxes	\$ (3,196)	\$ (4,402)	\$ (7,127)	\$ (8,154)
Income tax expense	—	(37)	(36)	(37)
Segment net loss	\$ (3,196)	\$ (4,439)	\$ (7,163)	\$ (8,191)

¹Other segment items included in Segment operating expenses include insurance expenses, trade show and conference expenses, fulfillment expenses, board compensation, clinical trial expenses, collaboration expenses and bank fees, among others.

Note 10. Subsequent Events

In July 2026, the Company entered into a new lease agreement for the approximately 28,000 square feet of office space in Carlsbad, CA that is currently being subleased by the Company through April 2027. The new lease commences in May 2027 and expires in July 2030, and includes an option to extend the term for an additional three years. The total minimum operating lease payments under the new lease is approximately \$1.9 million.

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

You should read the following discussion of our financial condition and results of operations in conjunction with the unaudited condensed financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q (this Quarterly Report) and with our audited financial statements and notes thereto included in our 2025 Annual Report.

Forward Looking Statements

The following discussion and other parts of this Quarterly Report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, business strategy, current and future product offerings, reimbursement and coverage, the expected benefits from our partnership or promotion arrangements with third parties, research and development costs, timing and likelihood of success and plans and objectives of management for future operations, are forward-looking statements. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate," or "continue," and similar expressions or variations. The forward-looking statements in this Quarterly Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, operating results, business strategy, and short-term and long-term business operations and objectives. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of risks, uncertainties and assumptions, including those described in Part I, Item 1A, "Risk Factors" in our 2025 Annual Report. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

We are a medical technology company primarily focused on the design, development and commercialization of a next-generation portfolio of innovative testing products under our AVISE® brand, which allow for the differential diagnosis, prognosis and monitoring of complex rheumatic, autoimmune and autoimmune-related disease including, among others, SLE and RA. We believe our strong focus and extensive background in the field of rheumatology, combined with our commitment to exceptional customer service and support, position us well to respond to the needs of rheumatologists, primary care physicians, other specialists, and the patients they serve.

Our tests are used in a variety of clinical settings to provide clarity in autoimmune disease decision-making with the goal of improving patients' clinical outcomes. We commercially launched our flagship testing product, AVISE® CTD, in 2012. AVISE® CTD enables differential diagnosis for patients presenting with symptoms indicative of a wide variety of connective tissue diseases (CTDs) and other related diseases with overlapping symptoms. Traditional screening methods often lack accuracy, resulting in repeat testing and delayed diagnosis. With significant increases in autoimmune incidence in recent years, AVISE® CTD provides unique biomarkers that empower clinicians to confidently and quickly diagnose various CTDs.

Beginning in late 2022, we revitalized our organization with the addition of key members to our senior leadership team, each with successful industry track records in diagnostics, medical device and medical technology, including our Chief Executive Officer, Chief Financial Officer, Chief Scientific Officer, Vice President of Sales, Vice President of Commercial Strategy, and Medical and Laboratory Director. By leveraging our team's extensive experience to create clinically distinct solutions that improve patient lives, we have created a strong foundation for growth and believe that we are well-positioned to positively impact patient care and address unmet clinical needs in autoimmune disease. We strive to become a partner of choice for doctors, hospitals, healthcare systems, and payors.

Under the leadership of our Chief Executive Officer, John Aballi, who joined Exagen in October 2022, we have executed an operational turnaround of the business, resulting in a return to revenue growth and gross margin expansion while significantly reducing operating expenses and cash burn.

All of our AVISE® tests are performed in our approximately 13,000 square foot laboratory located in Vista, California, which is certified under the clinical laboratory testing administered by the Centers for Medicare & Medicaid Services (CLIA) and accredited by the College of American Pathologists. Our laboratory is certified for performance of high-complexity testing by the Centers for Medicare & Medicaid Services (CMS) in accordance with CLIA and is licensed by all states requiring out-of-state licensure. Our clinical laboratory typically reports all AVISE® testing product results within five business days.

Reimbursement for our testing services comes from several sources, including commercial payors (such as insurance companies and health maintenance organizations), government payors (such as Medicare and Medicaid), client payors (such as hospitals, other laboratories, etc.) and patients. Reimbursement rates vary by product and payor.

Since launching AVISE® CTD, we have produced an extensive body of peer-reviewed literature supporting the test's clinical validity and utility, demonstrating the importance of AVISE® CTD in patient care. Revenue from this product comprised 90% and 91% of our revenue for the six months ended June 30, 2026 and 2025, respectively.

In addition to providing diagnostic testing, we are leveraging our clinical laboratory to enter into agreements in the normal course of business with leading pharmaceutical companies and contract research organizations for the use of our testing products and/or the de-identified data generated from such tests. We believe the quality of our testing, proprietary offerings and specialized knowledge give us an advantage in this space. We plan to continue to pursue additional partnerships with leading pharmaceutical companies and academic research centers that are synergistic with our evolving portfolio of testing products, as more of these organizations realize the extent of the service we can provide.

We market our AVISE® testing products using our specialized sales force covering 45 territories in the United States. Many diagnostic sales forces are trained only to understand the comparative benefits of the tests they promote. In contrast, the specialized backgrounds of our sales personnel, coupled with our comprehensive training, enables our sales representatives to interpret results from our de-identified patient test reports and provide unique insights in a highly tailored discussion with rheumatologists. We believe our focus on and experience in the field of rheumatology, combined with our commitment to excellent customer service and support, position us very well to respond to the needs of rheumatologists and the patients they serve.

Recent Developments

Research and Development

We continue our thoughtful approach to research and development. We believe there is significant potential to enhance existing or develop new testing products with superior clinical utility, on our own or through collaboration with partners.

- **Myositis Biomarkers.** Myositis specific antibodies (MSA) are a well-defined group of important biomarkers for the diagnosis of idiopathic inflammatory myopathies, and the stratification of patients into clinical phenotypes, according to treatment responses, and disease outcomes. Despite the advanced research on these markers, significant challenges persist with standardization and availability of validated methods with fast turnaround time. Our research studies use different technologies for the detection of MSA. When compared to traditional technologies, we gain a unique understanding about potential avenues for product development in the area of myositis. We expect to launch our first Myositis offering in 2027.
- **Lupus Nephritis (LN) Biomarkers.** We continue to leverage our intellectual property licensed from Johns Hopkins University to develop a test for detecting protein analytes in urine that can aid rheumatologists in the ongoing management and risk stratification of patients suffering from LN. We tested a new customized array and presented novel data on the use of urinary biomarkers (especially Tenascin-C) for the prediction of kidney function loss during the 2025 American College of Rheumatology annual meeting (ACR 2025). During the first half of 2026, we expect further adoption by our existing and new pharma partnerships of our panel as part of exploratory trials. In addition, we continue our efforts in releasing our LN offering commercially through our clinical lab.

- SLE Disease Activity. We continue to leverage clinical and laboratory data collected across multiple longitudinal SLE cohorts to identify a set of biomarkers that can inform an artificial intelligence (AI) developed algorithm aimed at guiding ongoing treatment decisions throughout the course of a lupus patient's journey. Our candidate assay for SLE Disease Activity is currently being clinically validated with patient recruitment ongoing.
- RA Disease Activity. We are also continuing to leverage our extensive biorepository containing clinically annotated serum collected from RA patients to screen for a host of protein antibody markers in an effort to develop an algorithmic solution that accurately predicts RA disease activity in a manner that outperforms conventional RA biomarkers. Our candidate assay for RA disease activity is in development, with the validation cohort procured for analysis.

Factors Affecting Our Performance

We believe there are several important factors that have impacted, and that we expect will impact, our operating performance and results of operations, including:

- Commercial Launch of AVISE® CTD Enhancements. Our flagship product, AVISE® CTD, enables clinicians to more effectively diagnose complex autoimmune conditions such as SLE, RA, and Sjögren's syndrome earlier and with greater accuracy, in each case, as compared to the current standard of care. Our laboratory specializes in the testing of rheumatic diseases, delivering precise and timely results, supported by a full suite of AVISE®-branded tests for disease diagnosis, prognosis, and monitoring. With a focus on research, innovation, education, and patient-centered care, we are dedicated to addressing the ongoing challenges of autoimmune disease management.

In January 2025, we announced conditional approval by the New York State Department of Health (NYSDOH) and commercial launch of our new SLE and RA biomarker assays on the AVISE® CTD platform. Collectively, we believe these new biomarkers will further improve the clinical utility of AVISE® CTD, providing clinicians with the information they need to definitively diagnose patients and shorten their autoimmune diagnostic journeys. While these biomarkers have contributed positively to AVISE® CTD ASP, these gains have built gradually, and we remain encouraged by their progress. We expect that, over time, these new biomarkers will continue to drive gains in AVISE® CTD average selling price and gross margin, increase demand, and better position us for profitability.

- Peptidyl Arginine Deiminase 4 (PAD4) Biomarkers. During the third quarter of 2025, we received conditional approval from the NYSDOH and commercially launched our new PAD4 biomarker assays on the AVISE® CTD platform. Anti-PAD4 antibodies have been found to be 35% sensitive and 95% specific for RA in a peer-reviewed validation study. Additionally, anti-PAD4 antibodies have been found in 19% of anti-CCP negative RA patients, helping to address a critical seronegative diagnostic gap. Beyond the diagnostic utility, anti-PAD4 antibodies have been shown to associate with increased risk for radiographic progression, a sign of permanent joint changes.
- Reimbursement for Our Testing Products. Our revenue depends on achieving broad coverage and reimbursement for our tests from third-party payors, including both commercial payors and government payors. Payment from third-party payors differs depending on whether we are considered a "participating provider" (have entered into a contract with the payors as a participating provider) or a "non-participating provider" (do not have a contract and are considered a "non-participating provider"). Payors will often reimburse non-participating providers at a lower amount than participating providers, if at all. We have received a substantial portion of our revenue from a limited number of commercial payors, most of which have not contracted with us to be a participating provider. Historically, we have experienced situations where commercial payors proactively reduced the amounts they were willing to reimburse for our tests, and in other situations, commercial payors have determined that the amounts they previously paid were too high and have sought to recover those perceived excess payments by deducting such amounts from payments otherwise being made. When we contract to serve as a participating provider, reimbursements are made

pursuant to a negotiated fee schedule and are limited to only covered indications. If we are not able to obtain or maintain coverage and adequate reimbursement from third-party payors, we may not be able to effectively increase our testing volume and revenue as expected. Additionally, changes in our estimated reimbursements for tests performed in prior periods can positively or negatively impact our revenue in the current period and cause our financial results to fluctuate. In addition, in connection with our revenue cycle management initiatives, we have in the past held claims in the first quarter of the fiscal year, which resulted in increases in our accounts receivable and an accelerated decrease in our cash in the same period. The trend subsequently reversed in the three months ended June 30, 2026 as we collected cash on billed tests.

- *Expanding Adoption of AVISE® CTD.* Since the launch of AVISE® CTD in 2012 and through June 30, 2026, we have delivered over one million of these tests. During the three months ended June 30, 2026, the number of AVISE® CTD tests delivered increased by approximately 11% over the same period in 2025. Revenue growth for our testing products will depend, in part, on our ability to continue to expand our base of ordering healthcare providers and increase our penetration with existing healthcare providers and on the success of the T-Cell Biomarkers and RA Sub-Profile Biomarkers, which we added to our AVISE® CTD tests in 2025.
- *Development of Innovative Testing Products.* We expect to continue to invest in research and development in order to develop additional testing products. Our success in developing new testing products will be important in our efforts to grow our business by expanding the potential market for our products and diversifying our sources of revenue. We intend to leverage our protein and molecular assay development capabilities, bioinformatic team and proprietary technologies to pursue the development of additional testing products designed to have superior clinical utility for rheumatic conditions.
- *Deliver Sustainable Profitable Growth.* We seek to establish a solid foundation for growth and a path to sustained profitability through continued gross margin enhancements and improved operating expense efficiencies through the implementation of certain internal initiatives, such as leveraging validation, utility and reimbursement-oriented clinical studies to facilitate payor coverage of our testing products. We center our efforts around long-term reimbursement and Average Selling Price (ASP) growth. This strategy includes optimizing revenue cycle practices, focusing managed care efforts on medical policy expansion and continuing to educate insurance payors on the published, real-world evidence of the clinical utility of our testing products, demonstrating healthcare cost savings and reductions in time to diagnosis.
- *Timing of Our Research and Development Expenses.* We conduct clinical studies to validate our new testing products, as well as ongoing clinical and outcome studies to further expand the published evidence that supports our commercialized AVISE® testing products. We also expend funds to secure clinical samples that can be used in discovery, product development, clinical validation, utility and outcome studies. Our spending on experiments and clinical studies may vary substantially from quarter to quarter, and the timing of these research and development activities is difficult to predict. If a substantial number of clinical samples are obtained in a given quarter or if a high-cost experiment is conducted in one quarter versus the next, the timing of these expenses will affect our financial results.
- *How We Recognize Revenue.* We record revenue on an accrual basis, using an estimate of the amount that we will ultimately realize, as determined based on a historical analysis of amounts collected by test and by payor, among other factors. Changes to such estimates may increase or decrease revenue recognized in future periods.

While each of these areas present significant opportunities for us, they also pose significant risks and challenges that we must address. We discuss many of these risks, uncertainties and other factors that may affect our performance in the section entitled "*Risk Factors*" in our 2025 Annual Report.

Seasonality

Based on our experience to date, we expect some seasonal variations in our financial results due to a variety of factors, such as: the year-end holiday period and other major holidays, vacation patterns of both patients and healthcare providers (including medical conferences), climate and weather conditions in our markets (for example, excess sun exposure can cause flares in SLE), seasonal conditions that may affect medical practices and provider activity (for example, influenza outbreaks that may reduce the percentage of patients that can be seen) and other factors relating to the timing of patient benefit changes, as well as patient deductibles and co-insurance limits.

Inflationary Environment

The current inflationary environment has resulted in higher prices, which have impacted our costs incurred to generate revenue from our laboratory testing services, costs to attract and retain personnel, and other operating costs. The severity and duration of the current inflationary environment remains uncertain and may continue to impact our financial condition and results of operations.

Changes in U.S. Trade Policy

Our business, results of operations and financial condition may be adversely affected by uncertainty and changes in U.S. trade policies, including tariffs, quotas, trade agreements or other trade restrictions imposed by the U.S. or other governments. Our business requires access to reagents and other materials to run our tests, some of which we source from suppliers located outside the United States, including Germany. Any imposition of or increase in tariffs or other restrictions on imports of reagents or other materials, as well as corresponding price increases for such materials available domestically, if any, could increase our costs. We would likely be unable to pass all or any such cost increases on to our customers and such cost increases could materially and adversely affect our business, results of operations and financial condition, including our gross margin.

Financial Overview

Revenue

We recognize revenue in accordance with the provisions of ASC Topic 606, *Revenue from Contracts with Customers*. We record revenue on an accrual basis, using an estimate of the amount we will ultimately receive, as determined based on a historical analysis of amounts collected by test and by payor, among other factors. These assessments require significant judgment by management.

To date, we have derived nearly all of our revenue from the sale of our testing products, most of which is attributable to our AVISE® CTD test. We primarily market our testing products to rheumatologists and their physician assistants in the United States. The healthcare professionals who order our testing products, and to whom results are reported, are generally not responsible for payment for these products. The parties that pay for these services (payors) consist of commercial payors (insurance companies, health maintenance organizations, etc.), government payors (primarily Medicare and Medicaid), client payors (hospitals, other laboratories, etc.), and patient self-pay. Our service is completed upon the delivery of test results to the prescribing rheumatologists which triggers billing for the service.

Our ability to increase our revenue may depend, in part, on our ability to increase our reimbursement and collection rates (ASP) for tests delivered and further penetrate the market for our current and future testing products.

In April 2022, we were granted a Proprietary Laboratory Analyses code (PLA code) for our protein-based test, AVISE® Lupus, which is offered standalone or as part of our AVISE® CTD test. Noridian Healthcare Solutions (Noridian), our Medicare Administrative Contractor (MAC), has set the current pricing for this PLA code at \$840.65 per test (the list price for AVISE® Lupus is \$1,787.22). CMS will align local MAC pricing with national payment rates for the PLA code on the 2026 Clinical Laboratory Fee Schedule through their annual payment determination process to provide a standardized, nationally determined payment rate. The process for obtaining and maintaining consistent reimbursement for new tests can be uncertain, lengthy and time consuming. A pricing determination is not synonymous with a coverage determination. Having a price associated with the PLA code for any particular test does not secure coverage or reimbursement for that PLA code from Medicare or any other third-party payor.

We submitted a formal request to Noridian for coverage of our AVISE® Lupus test under the new PLA Code and on September 27, 2022, we received notice that Noridian deemed our application for a Local Coverage Determination (LCD) to be valid, but our application is still pending. Ultimately receiving a favorable LCD is uncertain and may be

time-consuming, resource intensive and require multiple quarterly or annual periods to complete and is subject to risks and uncertainties described in the section entitled "*Risk Factors*" in our 2025 Annual Report and this Quarterly Report. Further, on January 20, 2025, President Trump issued an Executive Order entitled Regulatory Freeze Pending Review, which halted all federal level regulatory rules and guidance not yet in effect. Because the Executive Order extends to LCDs not yet in effect, it leaves the fate and timing of our LCD application uncertain.

In the meantime, we have continued to submit Medicare claims for AVISE® Lupus, appeal denials and respond to requests for additional information. On January 31, 2024, CMS released a coverage article under which all multi-analyte proteomic testing will be considered within the scope of the Molecular Diagnostic Services Program administered by Palmetto GBA on behalf of CMS (MoIDX) and reviewed through their technology assessment process. The article listed several such tests, including the AVISE® Lupus test, and requires all laboratories furnishing multi-analyte proteomics testing in MoIDX jurisdictions to register with the DEX® Diagnostics Exchange Registry and obtain a Z-Code® identifier. We were issued a Z-Code® identifier in May 2024. To determine if the submitted tests are compliant with relevant policy requirements, these tests will undergo technical assessment by Palmetto GBA as part of the MoIDX program. That technical assessment is on hold until such time as an LCD is issued by CMS. In the interim, we expect our current status with CMS to remain unchanged.

We face consistent challenges relating to commercial payor claim processing and revenue. While collectability has improved with certain plans year-over-year, we continue to experience denials due to unfavorable medical policy with certain plans, and we expect this situation to persist.

During the year ended December 31, 2023, we implemented several revenue cycle management initiatives, including among others, withholding the submission of commercial payor claims for reimbursement until subsequent quarters, increasing appeals efforts, adjusting the documentation required of physicians when ordering our tests and implementing increases to our patient payment rates. Additionally, in November 2023, we increased the list price billed for our tests. These ongoing revenue cycle management initiatives aim to optimize our appeals process and the potential for cash collections. During the fiscal year ended December 31, 2024, we experienced moderate declines in test volume since the second half of the fiscal year ended December 31, 2023, as rheumatologists and patients adjusted to these changes. During the fiscal year ended December 31, 2025, we saw a return to volume growth. The number of AVISE® CTD tests delivered during the three months ended June 30, 2026 improved by approximately 11% as compared to the number of AVISE® CTD tests delivered during the three months ended June 30, 2025 due to continuing physician demand and adoption, early traction from our new biomarkers, and salesforce expansion. Additionally, the trailing-twelve-month ASP of our AVISE® CTD tests increased by approximately 4% during the three months ended June 30, 2026 compared to the same period in 2025.

Cost of Revenue

Cost of revenue represents the expenses associated with obtaining and testing patient specimens. The components of our cost of revenue include materials costs, direct labor, equipment, infrastructure expenses, shipping charges to transport specimens, blood specimen collections fees, royalties, depreciation and allocated overhead (including rent and utilities).

Each payor, whether commercial, government, or individual, reimburses us at different amounts. These differences can be significant. As a result, our cost of revenue as a percentage of revenue may vary significantly from period to period due to the composition of payors for each period's billings. Our cost per AVISE® CTD test has increased year-over-year as a result of costs associated with the addition of the T-Cell Biomarkers and RA Sub-Profile Biomarkers to our AVISE® CTD test.

Operating Expenses

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of personnel costs (including stock-based compensation expense), direct marketing expenses, accounting and legal expenses, consulting costs and allocated overhead (including rent, information technology, depreciation and utilities).

Research and Development Expenses

Research and development expenses include costs incurred to develop our technology, test products and product candidates, in addition to costs incurred to collect clinical specimens and conduct clinical studies to develop and support those products and product candidates. These costs consist of personnel-related expenses (including stock-based compensation expense), materials, laboratory supplies, consulting costs, costs associated with setting up and conducting clinical studies and allocated overhead (including rent and utilities). We expense all research and development costs in the periods in which they are incurred.

Interest Expense

Interest expense consists of cash and non-cash interest expense associated with borrowings under the Perceptive Term Loan Facility as well as our other financing arrangements.

Loss on Extinguishment of Debt

Loss on extinguishment of debt consists of the unamortized debt issuance costs and final payment fee due under the terms of the Amended Loan Agreement. The Amended Loan Agreement was fully repaid and terminated on April 25, 2025.

Change in Fair Value of Warrant Liability

Changes in the fair value of the warrant liability relates to the Warrant Certificate.

Other Income (Expense), net

Other Income (Expense), net consists of gains and losses on debt modification related to the First Amendment executed in March 2026, as well as Interest income earned on our cash and cash equivalents.

Income Tax Expense

Income taxes include federal and state income taxes in the United States.

Results of Operations

Comparison of the Three Months Ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Change
	2026	2025	
Revenue	\$ 19,941	\$ 17,202	\$ 2,739
Cost of revenue	7,724	6,807	917
Gross profit	12,217	10,395	1,822
Operating expenses:			
Selling, general and administrative expenses	12,513	11,542	971
Research and development expenses	1,426	1,483	(57)
Total operating expenses	13,939	13,025	914
Loss from operations	(1,722)	(2,630)	908
Interest expense	(1,201)	(1,124)	(77)
Loss on extinguishment of debt	—	(295)	295
Change in fair value of warrant liability	(426)	(438)	12
Other income (expense), net	153	85	68
Loss before income taxes	(3,196)	(4,402)	1,206
Income tax expense	—	(37)	37
Net loss	\$ (3,196)	\$ (4,439)	\$ 1,243

Revenue

Revenue increased \$2.7 million, or 15.9%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to increases in test volume and expansion of our AVISE® CTD. The number of AVISE® CTD tests delivered in the three months ended June 30, 2026 increased by approximately 11% compared to the same period in 2025. Our AVISE® CTD trailing twelve-month ASP increased by 4% or \$18 per test to \$446 per test in the second quarter of 2026 from \$428 per test in the second quarter of 2025. In addition, our pharma services revenue increased by approximately \$0.7 million, to \$1.0 million in the second quarter of 2026 from \$0.3 million in the second quarter of 2025.

Cost of Revenue

Cost of revenue increased \$0.9 million, or 13.5%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. This increase was primarily due to increases of \$0.3 million in the cost of materials and supplies, \$0.2 million in depreciation and amortization, \$0.2 million in employee-related expenses (including salaries, benefits and stock-based compensation), and \$0.3 million in other expenses, partially offset by a decrease of \$0.1 million in royalty expenses.

Gross Margin

Gross margin as a percentage of revenue increased to 61.3% for the three months ended June 30, 2026 compared to 60.4% for the three months ended June 30, 2025, primarily due to the changes to revenue and cost of revenue described above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$1.0 million, or 8.4%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. This increase was primarily due to increases of \$1.0 million in employee-related expenses (including salaries, benefits, commissions, bonuses and stock-based compensation), \$0.3 million in outside services, and \$0.2 million in facilities-related expenses, partially offset by a decrease of \$0.5 million in other expenses.

We expect that our selling, general and administrative expenses may increase moderately in absolute dollars in the near-term as we expand our sales force and invest in infrastructure to support expected volume and revenue growth, but expect our selling, general and administrative expenses to decrease year-over-year as a percentage of revenue.

Research and Development Expenses

Research and development expenses decreased \$0.1 million, or 3.8%, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. This decrease was primarily due to decreases of \$0.1 million in facilities related expenses, \$0.1 million in clinical trial expenses, and \$0.1 million in outside services, partially offset by a \$0.2 million increase in employee-related expenses (including salaries, benefits, bonuses and stock-based compensation).

We expect that our research and development expenses may increase moderately in absolute dollars in the near-term as we execute on additional pipeline initiatives, but expect our research and development expenses to decrease year-over-year as a percentage of revenue.

Interest Expense

Interest expense increased by \$0.1 million, for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, primarily due to the Perceptive Term Loan Facility that we entered into in April 2025

and the embedded finance lease related to a supply agreement, as amended, with one of our suppliers for certain reagents. We expect to continue to incur this interest expense under the Perceptive Term Loan Facility.

Loss on Extinguishment of Debt

Loss on extinguishment of debt decreased by \$0.3 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, as a result of our early payoff of all outstanding indebtedness under the Amended Loan Agreement in April 2025.

Comparison of the Six Months Ended June 30, 2026 and 2025 (in thousands):

	Six Months Ended June 30,		Change
	2026	2025	
Revenue	\$ 37,247	\$ 32,700	\$ 4,547
Cost of revenue	14,825	13,182	1,643
Gross profit	22,422	19,518	2,904
Operating expenses:			
Selling, general and administrative expenses	24,579	22,746	1,833
Research and development expenses	2,979	2,767	212
Total operating expenses	27,558	25,513	2,045
Loss from operations	(5,136)	(5,995)	859
Interest expense	(2,468)	(1,669)	(799)
Loss on extinguishment of debt	—	(295)	295
Change in fair value of warrant liability	456	(438)	894
Other income (expense), net	21	243	(222)
Loss before income taxes	(7,127)	(8,154)	1,027
Income tax expense	(36)	(37)	1
Net loss	\$ (7,163)	\$ (8,191)	\$ 1,028

Revenue

Revenue increased \$4.5 million, or 13.9%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, due to increases in test volume and expansion of our AVISE® CTD. The number of AVISE® CTD tests delivered in the six months ended June 30, 2026 increased by approximately 11% compared to the same period in 2025. Our AVISE® CTD trailing twelve-month ASP increased by 4% or \$18 per test to \$446 per test in the second quarter of 2026 from \$428 per test in the second quarter of 2025. In addition, our pharma services revenue increased by approximately \$0.9 million, to \$1.3 million in the six months ended June 30, 2026 from \$0.4 million in the six months ended June 30, 2025.

Cost of Revenue

Cost of revenue increased \$1.6 million, or 12.5%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. This increase was primarily due to increases of \$0.9 million in materials and supplies, \$0.4 million in depreciation and amortization, and \$0.4 million in other expenses, partially offset by a decrease of \$0.1 million in royalty expenses.

Gross Margin

Gross margin as a percentage of revenue increased slightly to 60.2% for the six months ended June 30, 2026 compared to 59.7% for the six months ended June 30, 2025, primarily due to the changes to revenue and cost of revenue described above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$1.8 million, or 8.1%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. This increase was primarily due to increases of \$1.8 million in employee-related expenses (including salaries, benefits, commissions, bonuses and stock-based compensation), \$0.4 million in outside services and \$0.2 million in facilities-related expenses, partially offset by a decrease of \$0.6 million in other expenses.

We expect that our selling, general and administrative expenses may increase moderately in absolute dollars in the near-term as we expand our sales force and invest in infrastructure to support expected volume and revenue growth, but expect our selling, general and administrative expenses to decrease year-over-year as a percentage of revenue.

Research and Development Expenses

Research and development expenses increased \$0.2 million, or 7.7%, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. This increase was primarily due to an increase of \$0.4 million in employee-related expenses (including salaries, benefits and stock-based compensation), partially offset by decreases of \$0.1 million in facilities-related expenses and \$0.1 million in outside services expenses.

We expect that our research and development expenses may increase moderately in absolute dollars in the near-term as we execute on additional pipeline initiatives, but expect our research and development expenses to decrease year-over-year as a percentage of revenue.

Interest Expense

Interest expense increased by \$0.8 million, including an increase of \$0.3 million in non-cash interest expense, for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to the Perceptive Term Loan Facility that we entered into in April 2025.

Loss on Extinguishment of Debt

Loss on extinguishment of debt decreased by \$0.3 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, as a result of our early payoff of all outstanding indebtedness under the Amended Loan Agreement in April 2025.

Change in Fair Value of Warrant Liability

The fair value of the warrant liability increased by \$0.9 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to the Credit Agreement executed in April 2025.

Other Income (Expense), net

Other income (expense), net decreased by \$0.2 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to a \$0.3 million net loss on debt modification related to the First Amendment executed in March 2026, partially offset by an increase of \$0.1 million in interest income.

Liquidity and Capital Resources

We have incurred net losses since our inception. For the six months ended June 30, 2026 and 2025, we incurred a net loss of \$7.2 million and \$8.2 million, respectively, and we expect to incur additional losses in future periods. To date, we have generated only limited revenue, and despite any estimates we may make regarding our ability to become profitable, we may never achieve revenue sufficient to offset our expenses. As of June 30, 2026, we had an accumulated deficit of \$321.4 million and cash and cash equivalents of \$24.6 million. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation. Currently, our funds are held in cash. A total of an additional \$40.0 million is available at our option under the Perceptive Term Loan Facility as amended in March 2026 should we attain specified revenue levels and satisfy other conditions. Consistent with historical practice, we held claims in the quarter ended March 31, 2026, which resulted in increases in our accounts receivable and an accelerated decrease in our cash and cash

equivalents in the quarter ended March 31, 2026 and a reversal of that trend occurred in the quarter ended June 30, 2026 and is expected to continue in the remaining two quarters of the fiscal year ending December 31, 2026.

Since becoming a public company, our primary sources of capital have been cash inflows from product sales, sales of our common stock and, to a lesser extent, borrowings under term loan facilities.

Our obligations under the Perceptive Term Loan Facility are secured by a first-priority lien on substantially all of our existing and future assets. In connection with the Credit Agreement, we issued the Warrant Certificate to Perceptive. The Warrant Certificate has a ten-year term from the applicable issuance date and includes protection for certain dilutive issuances and registration rights provisions. The Perceptive Term Loan Facility includes customary affirmative, negative, and financial covenants. These include, among others, restrictions on additional indebtedness, liens, dividends, mergers and acquisitions, and affiliate transactions. The Perceptive Term Loan Facility also requires that we maintain a minimum unrestricted cash balance of \$3.0 million and achieve specified net revenue levels on a quarterly basis beginning with the quarter ending June 30, 2025. In addition, upon the occurrence of an event of default, Perceptive, among other things, can declare all indebtedness due and payable immediately, which would adversely impact our liquidity and reduce the availability of our cash flows to fund working capital needs, capital expenditures and other general corporate purposes. As of June 30, 2026, we were in compliance with all covenants of the Perceptive Term Loan Facility.

On November 17, 2023, we filed the Shelf Registration Statement covering the offering, from time to time, of up to \$150.0 million shares of our common stock, preferred stock, debt securities, warrants and units, of which \$126.2 million remained available for sale at June 30, 2026.

On September 15, 2022, we entered into the Amended Sales Agreement with TD Cowen, as sales agent, pursuant to which we may offer and sell, from time to time, shares of common stock having an aggregate offering price of up to \$50.0 million. We are not obligated to sell any shares of our common stock under the Amended Sales Agreement. As of December 31, 2025, we have sold 360,554 shares of common stock under the Amended Sales Agreement at an average per share price of \$9.82, for gross proceeds of approximately \$3.5 million and net proceeds of approximately \$3.4 million after deducting \$0.1 million in commissions paid to TD Cowen and other offering expenses payable by us. During the six months ended June 30, 2026, we did not sell any shares of our common stock pursuant to the Amended Sales Agreement.

Funding Requirements

Our primary use of cash is to fund our operations as we continue to grow our business. We expect to continue to incur operating losses in the near term. In the short-term, we expect increases in cost of revenue as a result of costs associated with the addition of the T-Cell Biomarkers and RA Sub-Profile Biomarkers to our AVISE® CTD test in 2025. We also anticipate increases in our selling, general and administrative expenses due to increased headcount. We expect research and development expenses to remain relatively consistent in the short-term. We believe we have sufficient laboratory capacity to support increased test volume. Cash used to fund operating expenses is impacted by the timing of when we pay expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

We expect that our near- and longer-term liquidity requirements will continue to consist of working capital and general corporate expenses associated with the growth of our business, including payments we may be required to make upon the achievement of previously negotiated milestones associated with intellectual property we have licensed, payments related to non-cancelable purchase obligations for reagents, payments related to our principal and interest under our long term borrowing arrangements, payments for operating leases related to our office and laboratory space in Vista, CA and our office space in Carlsbad, CA, and payments for operating and finance leases related to our laboratory equipment (see "Note 4. *Borrowings*," and "Note 5. *Commitments and Contingencies*," to our unaudited condensed financial statements included in this Quarterly Report and "Note 5. *Leases*," to our financial statements included in our 2025 Annual Report). Based on our current business plan, we believe that our existing cash and cash equivalents and our anticipated future revenue, will be sufficient to meet our anticipated cash requirements for at least the next twelve months from the date of this filing.

Our estimate of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Actual results could vary as a result of a number of factors, including:

- our ability to improve AVISE® CTD ASP as a result of the launch of the T-Cell Biomarkers and RA Sub-Profile Biomarkers, in addition to our ability to achieve adequate reimbursement for these additions to our AVISE® CTD test offering;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for our testing products;
- our ability to maintain and grow sales of our AVISE® testing products, as well as the costs associated with conducting clinical studies to demonstrate the utility of our products and support reimbursement efforts;
- fluctuations in working capital;
- the costs of developing our product pipeline, including the costs associated with conducting our ongoing and future validation, utility and outcome studies as well as the success of our development and commercialization efforts; and
- the extent to which we establish additional partnerships or in-license, acquire or invest in complementary businesses or products as well as the success of our existing partnerships and/or in-licenses.

Until such time, if ever, as we can generate revenue to support our costs structure, we may be required to finance our operations as needed through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. The Perceptive Term Loan Facility involves, and any additional debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders may be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. If additional funding is required or desired, there can be no assurance that additional funds will be available to us on acceptable terms on a timely basis, if at all, or that we will generate sufficient cash from operations to adequately fund our operating needs or achieve or sustain profitability. If we are unable to raise additional capital or generate sufficient cash from operations to adequately fund our operations, we will need to delay, reduce or eliminate some or all of our research and development programs, product portfolio expansion plans or commercialization efforts. Doing so will likely have an unfavorable effect on our ability to execute on our business plan and could have a negative impact on our commercial and strategic relationships. If we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, financial condition, and results of operations could be adversely affected.

Cash Flows

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

	Six Months Ended June 30,	
	2026	2025
(in thousands)		
Net cash provided by (used in):		
Operating activities	\$ (6,429)	\$ (13,556)
Investing activities	(771)	(316)
Financing activities	(432)	21,869
Net change in cash, cash equivalents and restricted cash	<u>\$ (7,632)</u>	<u>\$ 7,997</u>

Cash Flows from Operating Activities

Net cash used in operating activities for the six months ended June 30, 2026 was \$6.4 million, primarily resulting from (i) our net loss of \$7.2 million adjusted for non-cash charges of \$3.9 million primarily related to change in fair value of warrant liability, stock-based compensation, depreciation and amortization, non-cash lease expense and non-cash interest and (ii) changes in our net operating assets of \$3.2 million primarily related to net increases in accounts receivable, prepaid expenses and other current assets, and net decreases in accrued and other current liabilities and operating lease liabilities, partially offset by net increases in deferred revenue and accounts payable, and net decreases in other assets.

Net cash used in operating activities for the six months ended June 30, 2025 was \$13.6 million, primarily resulting from (i) our net loss of \$8.2 million adjusted for non-cash charges of \$3.9 million primarily related to stock-based compensation, depreciation, amortization, change in fair value of warrant liability, loss on extinguishment of debt, bad debt expense, non-cash lease expense and non-cash interest and (ii) changes in our net operating assets of \$9.2 million primarily related to net increases in accounts receivable and net decreases in accrued and other current liabilities and accounts payable, partially offset by net decreases in prepaid expenses and other current assets.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended June 30, 2026 and 2025 was \$0.8 million and \$0.3 million, respectively, due to net purchases of property and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended June 30, 2026 was \$0.4 million, primarily resulting from payments on finance lease and notes payable obligations, partially offset by proceeds from ESPP purchases.

Net cash provided by financing activities for the six months ended June 30, 2025 was \$21.9 million, primarily resulting from \$23.7 million in proceeds from the issuance of debt and warrants, net of discounts, \$18.8 million in proceeds from common stock issued, net of issuance costs and \$0.2 million in proceeds from common stock issued under the ESPP, partially offset by a \$19.7 million payment to early extinguish debt, \$0.7 million in payments of debt issuance costs, \$0.3 million in principal payments on notes payable obligations, and \$0.1 million in principal payments on finance lease obligations.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed financial statements, which have been prepared in accordance with GAAP. The year-end condensed balance sheets data was derived from audited financial statements, but does not include all disclosures required by GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and any such differences may be material.

For a description of our critical accounting estimates, please see the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates*" contained in our 2025 Annual Report. There have been no significant changes in our critical accounting policies and estimates during the six months ended June 30, 2026 as compared to the critical accounting policies and estimates disclosed in the Management's Discussion and Analysis of Financial Condition and Operations included in our 2025 Annual Report.

Recent Accounting Pronouncements

Please see "Note 2. *Summary of Significant Accounting Policies*," to the unaudited condensed financial statements included in this Quarterly Report for a summary of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that the information we are required to disclose in such reports is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate.

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our principal executive officer and principal financial officer have concluded that as of June 30, 2026, our disclosure controls and procedures were effective at a reasonable level of assurance.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the three months ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls and Procedures

Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Part II. Other Information

Item 1. Legal Proceedings

From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on our business resulting from defense and settlement costs, diversion of resources and other factors. There can be no assurances that favorable outcomes will be obtained.

We are not currently party to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A, "Risk Factors" of our 2025 Annual Report.

Item 5. Other Information

Rule 10b5-1 trading arrangements

During the three months ended June 30, 2026, none of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Lease Agreement

On July 6, 2026, we entered into a new lease with LOA 26 LP for approximately 28,000 square feet of office space located at 2175 Salk Avenue, Carlsbad, CA (the "Lease Agreement"). The commencement date of the lease is May 1, 2027 (the "Term Commencement Date"), and the lease will expire 39 full calendar months after the Term Commencement Date in July 2030 (the "Initial Term"), unless terminated earlier in accordance with the Lease Agreement. Pursuant to the Lease Agreement, the annual rent will be approximately \$0.6 million with annual increases of 3% during the Initial Term. We will also be responsible for the payment of additional rent to cover our proportionate share of the annual operating and tax expenses for the building. We have the option to extend the term for one additional three-year period, which is exercisable by written notice delivered not less than 9 months and not more than 12 months prior to the expiration of the Initial Term. The foregoing description of the Lease Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Lease Agreement, a copy of which is filed as Exhibit 10.1 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/Furnished Herewith
		Form	File No.	Exhibit	Exhibit Filing Date	
3.1	Amended and Restated Certificate of Incorporation.	8-K	001-39049	3.1	9/23/2019	
3.2	Amended and Restated Bylaws.	8-K	001-39049	3.1	3/22/2021	
3.3	Amendment to Amended and Restated Bylaws, dated January 19, 2023.	8-K	001-39049	3.1	1/23/2023	
4.1	Specimen stock certificate evidencing the shares of common stock.	S-1/A	333-233446	4.1	9/9/2019	
4.2	Form of Common Stock Purchase Warrant issued to investors by the Company in connection with private placement financings.	S-1/A	333-233446	4.4	9/9/2019	
4.3	Form of Common Stock Purchase Warrant to purchase common stock issued to investors by the Company in 2016.	S-1/A	333-233446	4.8	9/9/2019	
4.4	Form of Exchange Warrant	10-Q	001-39049	4.5	8/9/2021	
4.5	Warrant Certificate, dated April 25, 2025, issued by the Company to Perceptive Credit Holdings IV, LP.	8-K	001-39049	4.1	4/28/2025	
10.1†	Lease by and between LOA 26 LP, a Delaware limited partnership, by and through View 26 LLC, its General Partner and the Company.					X
31.1	Certificate of Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certificate of Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certifications Pursuant to U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Public Company Accounting Reform and Investor Protection Act of 2002.					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					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 Labels Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, has been formatted in Inline XBRL.					X

* Furnished herewith. This certification is deemed not filed for purpose of section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

† Certain portions of this exhibit that are not material have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. A copy of the unredacted exhibit will be furnished to the SEC upon request.

Signatures

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

EXAGEN INC.

Date: August 4, 2026

by: /s/ John Aballi
John Aballi
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 4, 2026

by: /s/ Jeffrey G. Black
Jeffrey G. Black
Chief Financial Officer
(Principal Financial and Accounting Officer)

LEASE

BY AND BETWEEN

**LOA 26 LP, a Delaware limited partnership,
by and through View 26 LLC, its General Partner (“Landlord”)**

and

EXAGEN INC. (“TENANT”)

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1. TERMS. Each reference in this Lease to any of the following subjects shall be construed to incorporate the data stated for that subject in this Section 1.

Date of this Lease/Effective Date:

July 6, 2026

Name of Tenant:

Exagen Inc.,
a Delaware corporation

Notice Address of Tenant:

Attn: CFO

(a) Prior to possession:

(b) Following possession:

At the Premises.

Name of Landlord:

LOA 26 LP, a Delaware limited partnership, by and through View 26 LLC, its General Partner

Notice Address of Landlord:

LOA 26 LP
c/o Pacific Management Services, Inc.
606 S Olive St #1030
Los Angeles, CA 90014
Attention: Asset Management

with a copy to:

LOA 26 LP
c/o Pacific Management Services, Inc.
606 S Olive St #1030
Los Angeles, CA 90014
Attention: Legal Counsel

Landlord's Remittance Address:

606 S Olive St #1030
Los Angeles, CA 90014

Building:

The building located at 2175 Salk Avenue, Carlsbad, California.

Property:

The Building and the real property on which the Building is located and any other buildings and improvements located thereon. For all purposes under this Lease, the Property shall include all related site land, property, improvements, parking facilities, common areas, driveways, sidewalks and landscaping which form a part of the project located at 2173, 2175 and 2177 Salk Avenue, Carlsbad, California and commonly known as Ventana Real.

Premises:	Approximately 28,094 rentable square feet of space on the third (3rd) floor of the Building commonly known as Suite 300-315, as approximately shown by the floor plan attached hereto as Exhibit A.
Permitted Use:	General office use, and no other use or purpose.
Term:	The period of time beginning on the Commencement Date and ending at 11:59 P.M. on the Expiration Date. This Lease shall be a fully binding obligation of the parties as of the Effective Date, and the obligations of Tenant, such as, without limitation, insurance and indemnity obligations, shall commence as of the date Tenant first enters or occupies the Premises.
Commencement Date:	May 1, 2027
Expiration Date:	That certain date which is the last day of the thirty-ninth (39th) complete calendar month following the Commencement Date (i.e., July 31, 2030).
Tenant's Percentage:	The ratio of rentable square footage of the Premises to the total rentable square footage of the Building, as determined by Landlord, subject to adjustment by Landlord from time to time (including pursuant to Section 2(b) below). In the event any item of Additional Rent provided for in this Lease is calculated by Landlord with respect to the Property, then Tenant's Percentage for any such item shall be the ratio of rentable square footage of the Premises to the total rentable square footage of the Property, as determined by Landlord, subject to adjustment by Landlord from time to time.
Base Taxes:	The Taxes for the calendar year 2027, as they may be reduced by the amount of any abatement.
Tax Excess:	Tenant's Percentage of the amount by which Taxes for any calendar year during the Term exceed Base Taxes.
Base Operating Expenses:	The Operating Expenses for the calendar year 2027.
Operating Expenses Excess:	Tenant's Percentage of the amount by which Operating Expenses exceed Base Operating Expenses for any calendar year during the Term.
Security Deposit:	***]

Exhibits:

- Exhibit A The Premises
- Exhibit B Rules and Regulations
- Exhibit C Commencement Letter
- Exhibit D Additional Stipulations

All of the Exhibits listed above are incorporated into and made part of this Lease.

Rent:

Base Rent and all Additional Rent.

Additional Rent:

All amounts required to be paid by Tenant to Landlord pursuant to this Lease other than Base Rent, including, without limitation, Operating Expenses and Taxes.

Base Rent:

The amounts set forth in the table below, plus applicable tax thereon.

<u>Months of Term</u>	<u>Base Rent</u> (per annum)	<u>Base Rent</u> (per month)	<u>Base Rent</u> (per rentable square foot, per month)
Month 1 – Month 12	[***]	[***]	[***]
Month 13 – Month 24	[***]	[***]	[***]
Month 25 – Month 36	[***]	[***]	[***]
*Month 37 – Month 39	[***]	[***]	[***]

*Annualized

There shall be no abatement of Base Rent under this Lease. If the Commencement Date shall be on any day other than the first day of a calendar month, Base Rent for the partial month shall be prorated based on the number of days in that month.

2. THE PREMISES.

(a) Landlord leases to Tenant, and Tenant leases from Landlord, upon and subject to the terms and conditions of this Lease, the Premises. The Premises are leased with the right of Tenant to use for its customers, employees and visitors, in common with other parties entitled thereto, such common areas and facilities as Landlord may from time to time designate and provide.

(b) Remeasurement. Landlord shall have the right, at any time and from time to time during the Term (including any renewal or extension thereof), to cause the Premises and/or the Building to be remeasured by an architect, space planner or other professional selected by Landlord, using whatever measurement method or convention Landlord elects in its sole and absolute discretion (it being agreed that no particular measurement standard, including without limitation any BOMA standard, is required). If, as a result of any such remeasurement, the rentable square footage of the Premises and/or the Building is determined to be different from the square footage

set forth in this Lease, then, effective as of the date Landlord delivers written notice of such remeasurement to Tenant, (i) the rentable square footage of the Premises and/or the Building, as applicable, shall be amended to reflect such remeasured square footage, (ii) Tenant's Percentage shall be recalculated based on such remeasured square footage, and (iii) Base Rent shall be recalculated, on a prospective basis only, by multiplying the remeasured rentable square footage of the Premises by the same per-rentable-square-foot rate of Base Rent then in effect immediately prior to such remeasurement. Landlord and Tenant shall execute an amendment to this Lease confirming such remeasured square footage, Tenant's Percentage and Base Rent, although the failure to do so shall not affect the effectiveness of the foregoing. No remeasurement shall affect or reduce any Base Rent, Additional Rent or other amounts that accrued or were payable prior to the effective date of such remeasurement.

3. TERM. The Premises are leased for the Term. If for any reason Landlord is unable to deliver possession of the Premises to Tenant on or prior to the Commencement Date, then Landlord shall not be liable to Tenant for any resultant loss or damage and this Lease shall not be affected except that the Commencement Date shall be extended by one (1) day for each day of such delay.

Notwithstanding anything contained herein to the contrary, Tenant shall be allowed to occupy the Premises (and conduct business) upon execution of this Lease, receipt of all monies, completion of tenant improvements and evidence of insurance.

4. CONDITION OF THE PREMISES. The Premises are leased in an "as is" and "where is" condition without any warranty of fitness for use or occupation express or implied, it being agreed that Tenant has had an opportunity to examine the condition of the Premises, that Landlord has made no representations or warranties of any kind with respect to such condition, and that Landlord has no obligation to do or approve any work or make or approve any improvements to or with respect to the Premises to prepare the same for Tenant's occupancy except as specifically provided in this section.

Tenant acknowledges and agrees that Landlord has no obligation to perform any improvements, alterations or other work to prepare the Premises for Tenant's occupancy, and Tenant shall accept the Premises in its strictly "as-is, where-is" condition existing as of the Commencement Date.

5. MONTHLY RENT. Commencing on the Commencement Date, Base Rent shall be paid monthly in advance on or before the first day of each calendar month in accordance with the schedule set forth in Section 1. The Base Rent shall not be adjusted or modified if the actual rentable square footage of the Premises varies from the rentable square footage set forth in Section 1. If the Commencement Date shall be on any day other than the first day of a calendar month, Base Rent for the partial month shall be prorated based on the number of days in that month. Unless otherwise provided herein, commencing on the Commencement Date, Additional Rent shall be paid monthly in advance on or before the first day of each calendar month. If the Commencement Date shall be on any day other than the first day of a calendar month, Additional Rent for the partial month shall be prorated based on the number of days in that month. Rent shall be paid to Landlord, without notice or demand, and without deduction or offset, in lawful money of the United States of America, at Landlord's Remittance Address as set forth in Section 1 or to such other address as Landlord may from time to time designate in writing. Tenant acknowledges that the late payment of Rent or other sums due hereunder shall cause Landlord to

incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or trust deed covering the Property. Accordingly, if any installment of Rent or any other sums due from Tenant shall not be received by Landlord when due, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount. In addition, any amount due to Landlord, if not paid when due, shall bear interest from the date due until paid at the lesser of: (i) the Prime Rate (as hereinafter defined) plus five percent (5%) per annum, or (ii) the highest rate permitted by law (the "Default Rate"). The term "Prime Rate" shall mean the Prime Rate as published in The Wall Street Journal from time to time. The parties agree that such late charges represent a fair and reasonable estimate of the costs Landlord shall incur by reason of late payment by Tenant. The acceptance of such late charges by Landlord shall in no event constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies granted hereunder. Notwithstanding anything to the contrary in this Lease, Tenant shall pay the first installment of Rent due hereunder upon Tenant's execution of this Lease.

6. TAXES. Tenant shall pay monthly, as Additional Rent, one-twelfth (1/12) of the Tax Excess based on estimates provided by Landlord from time to time and subject to reconciliation as provided in Section 8 below. No credit or payment shall be due to Tenant in the event Taxes for any year are less than Base Taxes. "Taxes" means all taxes, assessments and fees levied upon the Property by any governmental entity based upon the ownership, leasing, renting or operation of the Property. Landlord may allocate Taxes incurred with respect to multiple buildings on the Property among such buildings. Taxes shall not include any federal, state or local net income, capital stock, succession, transfer, replacement, gift, estate or inheritance taxes; provided, however, if at any time during the Term, a tax or excise on income is levied or assessed by any governmental entity in lieu of or as a substitute for, in whole or in part, real estate taxes or other ad valorem taxes, such tax shall constitute and be included in Taxes. In addition to the foregoing, Tenant shall pay Landlord, as Additional Rent, for any use, rent or sales tax, service tax, value added tax, franchise tax or any other tax on Rent however designated as well as for any taxes which are reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises or the cost or value of any leasehold improvements made in or to the Premises by or for Tenant. All expenses, including attorneys' fees and disbursements, experts' and other witnesses' fees, incurred in contesting the validity or amount of any Taxes or in obtaining a refund of Taxes shall be considered as part of the Taxes for the year in which the expenses are incurred.

7. OPERATING EXPENSES. Tenant shall pay monthly, as Additional Rent, one-twelfth (1/12) of the Operating Expenses Excess based on estimates provided by Landlord from time to time and subject to reconciliation as provided in Section 8 below. No credit or payment shall be due to Tenant in the event Operating Expenses for any year are less than Base Operating Expenses. "Operating Expenses" means and includes all expenses, costs, fees and disbursements paid or incurred by or on behalf of Landlord for managing, operating, maintaining, improving, servicing or repairing the Building or Property and all associated plumbing, heating, ventilation, air conditioning, lighting, electrical, mechanical and other systems, including, without limitation, costs of: performing the Landlord's obligations described in Section 13; janitorial services, the repair, maintenance, repaving and re-striping of any parking and dock areas; providing any services or amenities such as conference rooms, parking garage, cafeteria, or gymnasium; exterior maintenance, repair and repainting; landscaping; snow removal; utilities; management fees; supplies and sundries; sales or use taxes on supplies or services; charges or assessments under any easement, license, declaration, restrictive covenant or association; legal and accounting expenses; Insurance Premiums; and compensation and all fringe benefits, worker's compensation insurance premiums and payroll taxes paid to, for or with respect to all persons engaged in the operation, administration, maintenance and repair of the Property. Landlord may

allocate any item of Operating Expenses that benefits multiple buildings on the Property among such buildings. Landlord may allocate any item of Operating Expenses among different portions or occupants of the Building or Property based on use or other considerations as determined by Landlord in Landlord's reasonable discretion. If there is less than ninety five percent (95%) occupancy during any period, Landlord may adjust those Operating Expenses that are affected by variations in occupancy levels to the amount of Operating Expenses that would have been incurred had there been ninety five percent (95%) occupancy.

Notwithstanding the foregoing, Operating Expenses shall not include costs of alterations to the premises of other tenants of the Property, depreciation charges, interest and principal payments on mortgages, ground rental payments and real estate brokerage and leasing commissions; costs incurred for Landlord's general overhead and any other expenses not directly attributable to the operation and management of the Building or the Property; costs of selling or financing any of Landlord's interest in the Property; costs incurred by Landlord for the repair of damage to the Property to the extent that Landlord is reimbursed by insurance proceeds; and the costs of services and utilities separately chargeable to individual tenants of the Building.

8. RECONCILIATION. Any failure by Landlord to deliver any estimate or statement of Additional Rent required under this Lease shall not operate as a waiver of Landlord's right to collect all or any portion of Additional Rent due hereunder. On an annual basis, Landlord shall provide Tenant with a statement of all actual Operating Expenses and Taxes for the preceding year. If Tenant has made estimated payments of Operating Expenses or Taxes in excess of the actual amount due, Landlord shall credit Tenant with any overpayment against the next Rent otherwise due, provided, however, if such overpayment occurs within the final year of the Term, then Landlord shall use commercially reasonable efforts to reimburse Tenant in the amount of such overpayment in cash as part of Landlord's reconciliation procedure at the end of the Term. If the actual amount due exceeds the estimated payments made by Tenant during the preceding year, Tenant shall pay the difference to Landlord within fifteen (15) business days and such obligation shall survive the expiration or earlier termination of this Lease.

9. INSURANCE.

(A) Tenant shall maintain the following insurance in force from the date upon which Tenant first enters the Premises and throughout the Term and thereafter for so long as Tenant is in occupancy of any part of the Premises:

(i) Commercial General Liability insurance with limits of at least \$1,000,000 per occurrence, \$2,000,000 general aggregate, and, if the Tenant manufactures or produces a product, \$2,000,000 products completed operations aggregate or such larger amounts as Landlord may reasonably require from time to time, covering bodily injury and property damage arising out of the use of the Premises, as well as products/completed operations, contractual liability, personal injury and advertising liability;

(ii) Worker's Compensation insurance as required by the state in which the Premises is located covering occupational injuries or disease to all employees of Tenant for work or other activities on or about the Premises. Such policy shall include Employer's Liability limits of at least \$500,000 bodily injury by accident-each accident, \$500,000 bodily injury by disease-each employee, and \$500,000 bodily injury by disease-policy limit;

(iii) Business Automobile Liability insurance for all scheduled and hired vehicles used by the Tenant, its employees or agents. Such policy shall include a combined single limit of liability of at least \$1,000,000 each accident for bodily injury and property damage;

(iv) Excess or Umbrella Liability insurance with a limit of at least \$5,000,000 general aggregate and \$2,000,000 per occurrence providing additional limits of insurance over the primary per occurrence and aggregate limits of the Commercial General Liability (including bodily injury, property damage, products/completed operations, personal/advertising injury and contractual liability), Employer's Liability, and Business Auto Liability insurance required in (i), (ii), and (iii) above; and

(v) Property insurance covering direct physical damage to Tenant's personal property and any property in the care, custody, and control of the Tenant. In addition this policy shall cover direct physical damage to all alterations, additions, improvements (including carpeting, floor coverings, paneling, decorations, fixtures and any improvements or betterments to the Premises made by Tenant or by Landlord at Tenant's request or for Tenant's benefit) situated in or about the Premises. Such coverage shall be for the full replacement value of the covered property.

(B) Tenant's Commercial General Liability, Property, Auto and Excess Liability/Umbrella Liability policies shall provide Landlord, Landlord's managing agent, and Landlord's mortgagee with Additional Insured status, and shall be on a Primary and Non-Contributory basis. All policies purchased and maintained by Tenant to satisfy the requirements in this Lease must be purchased from an insurance company with a minimum rating of "A- VII" or its equivalent from one of the major rating agencies (AM Best, Moodys, Standard & Poors, Fitch) that is admitted or eligible to do business in the state where the Premises is located.

(C) Tenant shall provide Landlord with a certificate of insurance for each policy simultaneously with the delivery of an executed counterpart of this Lease and endeavor to provide at least thirty (30) days prior to each renewal of such insurance. Such certificates of insurance shall be on an ACORD Form 25 and 24 or ISO Form 2026 or their equivalent, shall certify that such policy has been or shall be issued and that it provides the coverage and limits required above, and shall provide thirty (30) days written notice of cancellation (10 days for non-payment of premium) and that carrier shall endeavor to notify the Landlord in a timely manner in writing if the insurance coverage shall materially change. Notwithstanding the forgoing, it is the Tenant's responsibility to notify the Landlord upon any material change or cancelation of the insurance coverage. In addition to providing the certificates of insurance required herein, Tenant shall also promptly furnish any additional information, including complete copies of Tenant's insurance policies, as Landlord may request from time to time pertaining to Tenant's insurance coverage. Tenant shall notify Landlord in writing at least thirty (30) days in advance if Tenant intends to or receives a notice that its insurance company intends to cancel or non-renew such insurance for any reason. In the event that the applicable statutory time period is less than sixty (60) days, then Tenant shall notify Landlord within three (3) business days of receipt of any cancellation or non-renew notice. In the event that Tenant fails to obtain or maintain the insurance required above or fails to provide the Certificates of Insurance required, Landlord may, at its option, obtain such insurance on behalf of Tenant. Tenant shall pay, as Additional Rent upon demand, the reasonable cost of such insurance plus a twenty-five percent (25%) surcharge. Landlord's failure to obtain such coverage on behalf of Tenant shall not limit Tenant's liability in the event of an uncovered loss.

(D) Landlord shall carry or cause to be carried such insurance in amounts and with deductibles as a reasonably prudent landlord would purchase and maintain with respect to the Property. Tenant shall pay Tenant's Percentage of Landlord's insurance premiums ("Insurance Premiums") during the Term of the Lease as a part of Operating Expenses. Tenant shall not do or permit to be done anything which shall contravene, invalidate, or increase the cost of the Landlord's insurance and shall comply with all rules, orders, regulations, requirements and recommendations of Landlord or its insurance companies relating to or affecting the condition, use, or occupancy of the Premises. If Tenant does conduct any activity within or about the

Premises that results in an increase to the cost of Landlord's insurance Tenant shall reimburse Landlord for the entire amount of such additional premiums or surcharges on demand.

(E) The limits required by this Lease, or as carried by Tenant, will not limit the liability of Tenant or relieve Tenant of any obligations hereunder, except to the extent provided for under Section 10 below (Waiver of Subrogation). Any deductibles selected by Tenant will be the sole responsibility of Tenant.

(F) Landlord may, at its sole discretion, change the insurance policy limits and forms which are required to be provided by Tenant; such changes will be made to conform with common insurance requirements for similar properties in similar geographic locations.

(G) Tenant shall require all contractors and subcontractors used by Tenant for work or other activities on or about the Premises to meet the insurance requirements set forth in Sections 9(A)(i), (ii), and (iii).

10. WAIVER OF SUBROGATION. Notwithstanding any other language of this Lease to the contrary, Landlord and Tenant each waive their respective rights to recover from the other for any and all loss of or damage to their respective property if such loss or damage is covered, or required by this Lease to be covered, by insurance. Tenant shall obtain an endorsement acknowledging such waiver from its insurance company(s) evidencing compliance with this section.

11. SECURITY DEPOSIT. Upon execution of this Lease, Tenant shall deposit with Landlord the amount of the Security Deposit specified in Section 1 of this Lease. Provided that Tenant has paid all amounts due and has otherwise performed all obligations hereunder, the Security Deposit shall be returned to Tenant without interest within sixty (60) days of the expiration of the Term, further provided that Landlord may deduct from the Security Deposit prior to returning it any amounts owed by Tenant to Landlord. If Tenant defaults under any provision of this Lease, Landlord may, but shall not be obligated to, apply all or any part of the Security Deposit to cure the default. In the event Landlord elects to apply the Security Deposit as provided for above, Tenant shall, within five (5) days after Landlord's demand, restore the Security Deposit to the original amount. Furthermore, if Tenant defaults under this Lease more than two (2) times during any twelve (12) month period, irrespective of whether such default is cured, then, without limiting Landlord's other rights and remedies, Landlord may, in Landlord's sole discretion, modify the amount of the Security Deposit. Within ten (10) days after notice of such modification, Tenant shall submit to Landlord the required additional sums and Tenant's failure to do so shall constitute an Event of Default without further notice or right to cure, and Landlord shall have the right to exercise any remedy provided for in this Lease. Landlord may, at its discretion, commingle the Security Deposit with its other funds. Upon any sale or other conveyance of the Building, Landlord may transfer the Security Deposit (or any amount of the Security Deposit remaining) to a successor owner, and Tenant agrees to look solely to the successor owner for repayment of the same. The Security Deposit shall not operate as a limitation on any recovery to which Landlord may be entitled.

12. USE. The Premises shall be used for the Permitted Use and for no other purposes whatsoever. Tenant shall not do or permit to be done in or about the Premises, Building or Property anything which is prohibited by any ordinance, order, rule, regulation, certificate of occupancy, or other governmental requirement, now in force or which may hereafter be enacted, including, without limitation, the Americans with Disabilities Act of 1990, as amended (collectively, "Applicable Law"). Tenant shall comply with all Applicable Law in its use of the

Premises and common areas of the Property. Tenant shall use and cause all contractors, agents, employees, invitees and visitors of Tenant to use the Premises and any common area of the Property in such a manner as to prevent waste, nuisance and any disruption of other occupants. Tenant shall not place a load upon any floor in the Premises exceeding the floor load per square foot of area which such floor was designed to carry or which is allowed by law. Tenant shall, at Tenant's sole cost and expense, make any changes necessary to bring the Premises into compliance with any Applicable Law. The judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any Applicable Law in the use or occupancy of the Premises, Building or Property shall be conclusive of that fact as between Landlord and Tenant.

13. MAINTENANCE; SERVICES. Excepting only those obligations for which Landlord is expressly responsible pursuant to this section, Tenant will, throughout the Term and at its sole cost, keep and maintain the Premises and all fixtures and equipment located therein, including, without limitation, carpeting, wall-covering, doors, plumbing and other fixtures, and any alterations performed for the benefit of the Premises, clean safe and in good working order, condition and repair and make all necessary repairs and replacements thereto, including, without limitation, replacing all interior broken glass with glass of the same size and quality as that broken and repairing or replacing all systems or portions of systems exclusively serving the Premises including, without limitation, electrical, mechanical, plumbing and heating, ventilating and air conditioning systems. By way of example, and not limitation, Tenant shall be responsible, at Tenant's sole expense, for repairing and/or replacing, carpet, marble, tile or other flooring, paint, wall coverings, corridor and interior doors and door hardware, telephone and computer equipment, interior glass, window treatments, ceiling tiles, shelving, cabinets, millwork and other tenant improvements. All repairs and replacements required of Tenant in connection herewith shall be of a quality and class at least equal to the minimum building standards established by Landlord and shall be done in a good and workmanlike manner in compliance with Applicable Law and the terms and conditions of this Lease. If Tenant fails to maintain the Premises in compliance with the terms hereof, Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required and Tenant shall reimburse Landlord for the cost thereof as Additional Rent upon demand. If Tenant uses heat generating machines or equipment in the Premises that materially affect the temperature otherwise maintained by the heating, ventilating and air conditioning system, Landlord reserves the right to install supplementary units for the Premises and the cost thereof, including the cost of installation, operation and maintenance, shall be paid by Tenant to Landlord as Additional Rent upon demand. Should Tenant require any additional service not provided by Landlord pursuant to this Lease, including any services furnished outside the Building's normal business hours, Landlord may, but shall not be obligated to, furnish such additional service and Tenant agrees to pay Landlord's charges therefor, including a reasonable administrative fee, any taxes imposed thereon, and, where appropriate, a reasonable allowance for depreciation of any systems being used to provide such service, as Additional Rent upon demand. The current charge for after-hours HVAC usage is \$60.00 per hour per zone.

Landlord shall maintain the roof, foundation, exterior walls, structural portions, elevators, if any, any common areas and electrical, plumbing, mechanical and fire protection systems (subject to systems exclusive to the Premises) of the Building, the cost of which shall be included as a part of Operating Expenses, provided that Landlord shall have no obligation to make any repairs unless Landlord has first received written notice of the need for such repairs from Tenant. Notwithstanding the foregoing, any damage to the Property occasioned by the negligence or willful act of Tenant or any person claiming under Tenant, or contractors, agents, employees, invitees or visitors of Tenant or any such person, shall be repaired by and at the sole expense of Tenant, except that Landlord shall have the right, at its sole option, to make such repairs and to

charge Tenant for all costs and expenses incurred in connection therewith and Tenant shall pay the cost therefor as Additional Rent upon demand.

In addition to the foregoing, during normal hours of operation of the Building throughout the Term, Landlord shall provide: (i) reasonable quantities of electricity for the common areas; (ii) electricity for Tenant's normal office use; (iii) heating, ventilation and air conditioning as required in Landlord's reasonable judgment for the comfortable use and occupancy of the Premises during the normal hours of operation of the Building; (iv) building standard window washing and janitorial services; (v) water for drinking, cleaning and restroom purposes only, and (vi) such other services as Landlord reasonably determines are necessary or appropriate. The normal hours of operation of the Building shall be 7:00 a.m. through 6:00 p.m. Monday through Friday and 9:00 a.m. through 1:00 p.m. on Saturday, (except holidays), subject to adjustment from time to time by Landlord.

14. SUBLEASE; ASSIGNMENT. Tenant shall not mortgage, pledge, hypothecate or otherwise encumber its interest in this Lease. Tenant shall not allow the Premises to be occupied, in whole or in part, by any other party and shall neither sublet the Premises, in whole or in part, nor assign this Lease, nor amend any sublease or assignment to which Landlord has consented, without in each case obtaining the prior written consent of Landlord. Any sublease or assignment, or amendment to any sublease or assignment, without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute an Event of Default. The provisions of this section shall apply to a transfer, by one or more transfers, of all, or substantially all, of the business or assets of Tenant, of a majority of the stock, partnership or membership interests, or other evidences of ownership, of Tenant, and of any shares, voting rights or ownership interests of Tenant which results in a change in the identity of the entity or entities which exercise, or may exercise, effective control of Tenant as if such transfers were an assignment of this Lease. Tenant must request Landlord's consent to any assignment or sublease at least sixty (60) days prior to the proposed effective date of the assignment or sublease. At the time of its request, Tenant shall provide Landlord in writing: (a) the name and address of the proposed assignee or subtenant, (b) a complete copy of the proposed assignment or sublease, (c) reasonably satisfactory information about the nature, business, and business history of the proposed assignee or subtenant and its proposed use of the Premises, and (d) banking, financial or other credit information about the proposed assignee or subtenant sufficient to enable Landlord to determine its financial condition and operating performance. Concurrently with such request, Tenant shall pay to Landlord a fee of up to a maximum reimbursement of \$2,500.00 per request. Landlord shall not unreasonably withhold or delay its consent to Tenant's written request to sublease the Premises or assign this Lease which is made in compliance with the terms and conditions of this section. Without limiting the other instances in which it may be reasonable for Landlord to withhold its consent to an assignment or sublease, Landlord's refusal to consent to any proposed assignment or sublease shall not be unreasonable if: (a) the financial condition or operating performance of the proposed subtenant or assignee, determined in Landlord's reasonable discretion, is less than the greater of the financial condition or operating performance of the Tenant on (i) the date of execution of this Lease or (ii) the date of Tenant's request for Landlord's consent to the proposed assignment or sublease, (b) Tenant is in default under any of the terms, covenants or conditions of this Lease, (c) the proposed use of the Premises may result in: (i) increased wear and tear on the Premises, Building or Property or (ii) any adverse effect on other tenants in the Building or adjacent buildings owned by Landlord, (d) the proposed subtenant or assignee is a governmental agency, (e) Landlord has space available elsewhere in the Building which can accommodate the needs of the proposed subtenant or assignee or the proposed subtenant or assignee is a prospect to whom Landlord has made a proposal for the lease of space within the market area within the prior six (6) months, (f) the

proposed assignee or subtenant is a tenant in any building owned by Landlord or any affiliate of Landlord including, without limitation, the Building, (g) the proposed subtenant or assignee would cause Landlord to be in violation of any covenant or restriction contained in another lease or other agreement, or (h) Landlord's lender, if any, does not consent to the proposed sublease or assignment.

No subletting or assignment shall release Tenant from Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. Any subtenant shall, at Landlord's election, attorn to Landlord following any early termination of this Lease and any assignee shall be jointly and severally liable for the full performance of all of Tenant's obligations hereunder. Landlord may require, as a condition to granting Landlord's consent with respect to the provisions of this section, that the proposed subtenant or assignee enter into a written agreement with Landlord confirming the obligations of such subtenant or assignee under this Lease. Tenant shall pay, as Additional Rent on demand, all legal fees incurred by Landlord in connection with each proposed assignment or sublease whether or not Landlord's consent is obtained. If Tenant receives rent or other payments under any assignment or sublease in excess of the payments made by Tenant to Landlord under this Lease (as such amounts are adjusted on a per square foot basis if less than all of the Premises is transferred), then Tenant shall pay Landlord two-thirds of such excess. Landlord's consent to one assignment or sublease shall not be deemed a waiver of the requirement of Landlord's consent to any subsequent assignment or sublease. In the event Tenant seeks to assign its interest in this Lease, and Landlord does not consent to such proposed assignment, Landlord may elect to terminate this Lease in its entirety, and the last day of the Term of this Lease shall be the thirtieth (30th) day after Landlord notifies Tenant of Landlord's election to terminate this Lease. In the event Tenant seeks to sublet all or any portion of the Premises and Landlord does not consent to such proposed sublease, Landlord may elect to terminate this Lease with respect to the portion of the Premises that would be subject to such sublease and the last day of the Term of this Lease for such space shall be the thirtieth (30th) day after Landlord notifies Tenant of Landlord's election to terminate this Lease and, if less than the entire Premises is affected, Landlord shall have the right to perform any alterations to make such space a self-contained rental unit.

15. INDEMNITY; NON-LIABILITY OF LANDLORD. Except to the extent prohibited by law, as a material part of the consideration for Landlord's execution of this Lease, Tenant shall neither hold nor attempt to hold Landlord or its employees or Landlord's agents or contractors or their employees liable for, and Tenant covenants and agrees that it shall indemnify and defend Landlord for and against any and all penalties, damages, fines, causes of action, liabilities, judgments, expenses (including, without limitation, attorneys' fees) or charges incurred in connection with or arising from: (i) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (ii) any acts, omissions or negligence of Tenant or any person claiming under Tenant, or contractors, agents, employees, invitees or visitors of Tenant or any such person; (iii) any breach, violation or nonperformance by Tenant or any person claiming under Tenant or the employees, agents, contractors, invitees or visitors of Tenant or any such person of any term, covenant or provision of this Lease or any law, ordinance or governmental requirement of any kind; (iv) any injury or damage to the person, property or business of Tenant, its employees, agents, contractors, invitees, visitors or any other person entering upon the Property under the express or implied invitation of Tenant; or (v) any matter occurring in the Premises during the Term.

Landlord, to the fullest extent not prohibited by law, shall not be liable for any damage occasioned by failure to keep the Premises, Building or Property in repair, nor for any damage done or occasioned by or from plumbing, gas, electricity, water, sprinkler, or other pipes or sewerage or the bursting, leaking or running of any pipes, tank or plumbing fixtures, in, above, upon or about the Premises or the Building nor from any damage occasioned by water, snow or ice being upon or coming through the roof, skylights, trap door or otherwise, nor for any damages arising from acts, or neglect of co-tenants or other occupants of the Building or of any owners or occupants of adjacent or contiguous property, nor for any loss of or injury to property or business occurring, through, in connection with or incidental to the failure to furnish any such services or the interruption of any services to the Premises. Further, Landlord shall not be liable or responsible to Tenant for any loss or damage to any property or person occasioned by theft or any other criminal act, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, law of requisition or order of any governmental authority.

Notwithstanding anything to the contrary in this Lease, Landlord shall not be liable in any event for incidental or consequential damages to Tenant by reason of any default by Landlord hereunder, whether or not Landlord is notified that such damages may occur. The term "Landlord", as used in this Lease, so far as covenants or obligations to be performed by Landlord are concerned, means only the owner or owners at the time in question of the Landlord's interest in the Building, and in the event of any transfer or transfers of title to the Landlord's interest in the Building, the Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer or conveyance of all liability as respects the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed. Tenant's sole recourse against Landlord, and any successor to the interest of Landlord in the Premises, is to the interest of Landlord, and any successor, in the Premises and the Building of which the Premises are a part. In no event whatsoever shall Landlord or any beneficiary of any trust of which Landlord is a trustee or any of Landlord's officers, directors, partners, managers, members, shareholders, agents, attorneys and employees ever be personally liable hereunder.

16. UTILITIES. Tenant shall contract directly with public utility providers for all utilities which are separately metered to the Premises and shall pay such utility providers directly and promptly when due. If any utility, including electricity, is not separately metered to the Premises, the cost of such utility consumed on the Premises, as reasonably determined by Landlord, shall be paid by Tenant as Additional Rent. Tenant's obligation to pay for utilities provided to the Premises during the Term shall survive the expiration or earlier termination of the Lease. Tenant shall not utilize an alternative provider for a utility service other than the public utility provider servicing the Property unless Tenant shall first obtain the written consent of Landlord. Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interruption, or defect in the supply or character of the electric energy furnished to the Premises or Building. To ensure the proper functioning and protection of all utilities, Tenant agrees to abide by all reasonable regulations and requirements which Landlord may prescribe and to allow Landlord and its utility providers access to all electric lines, feeders, risers, wiring, and any other machinery within the Premises.

17. HOLDING OVER. If Tenant or any party claiming by or under Tenant remains in occupancy of the Premises or any part thereof beyond the expiration or earlier termination of this Lease, such holding over shall be without right and a tenancy at sufferance, and Tenant shall be

liable to Landlord for any loss or damage incurred by Landlord as a result thereof, including consequential damages. In addition, for each month or any part thereof that such holding over continues, Tenant shall pay to Landlord a monthly fee for the use and occupancy of the Premises equal to the greater of (a) the monthly fair market rental for the Premises and (b) two hundred percent (200%) of the Rent payable for the month immediately preceding such hold over, and there shall be no adjustment or abatement for any partial month. The provisions of this section shall not be deemed to limit or exclude any of Landlord's rights of re-entry or any other right granted to Landlord hereunder, at law or in equity.

18. NO RENT DEDUCTION OR SET OFF. Tenant's covenant to pay Rent is and shall be independent of each and every other covenant of this Lease. Tenant agrees that any claim by Tenant against Landlord shall not be deducted from Rent nor set off against any claim for Rent in any action. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any remedy provided in this Lease or at law. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.

19. CASUALTY. If the Premises or any part thereof are damaged by fire or other casualty, Tenant shall give prompt notice thereof to Landlord. If the Premises or the Building are totally or partially damaged or destroyed by fire or other casualty, thereby rendering the Premises totally or partially inaccessible or unusable, Landlord shall diligently restore and repair the Premises and the Building to substantially the same condition they were in prior to such damage. Provided that such damage was not caused by the act or omission of Tenant or any of its employees, agents, licensees, invitees or subtenants, until the repair and restoration of the Premises is completed Base Rent shall be abated for that part of the Premises that Tenant is unable to use without substantial interference and is not occupied while repairs are being made, based on the ratio that the amount of unusable rentable area bears to the total rentable area of the Premises. Landlord shall bear the costs and expenses of repairing and restoring the Premises and the Building, provided, however, that Landlord shall not be obligated to spend more than the net proceeds of insurance proceeds made available for such repair and restoration nor shall Landlord be obligated to repair or restore, or to pay for the repair or restoration of, any furnishings, equipment or personal property belonging to Tenant or any alterations, additions, or improvements (including carpeting, floor coverings, paneling, decorations, fixtures) made to the Premises or Building by Tenant or by Landlord at Tenant's request or for Tenant's benefit. It shall be Tenant's sole responsibility to repair and restore all such items.

Notwithstanding the foregoing, (a) if there is a destruction of the Building that exceeds twenty-five percent (25%) of the replacement value of the Building from any risk, whether or not the Premises are damaged or destroyed, or (b) if Landlord reasonably believes that the repairs and restoration cannot be completed despite reasonable efforts within ninety (90) days after the occurrence of such damage, or (c) if Landlord reasonably believes that there shall be less than two (2) years remaining in the Term (exclusive of any extension options) upon the substantial completion of such repairs and restoration, or (d) if any mortgagee or lender fails or refuses to make sufficient insurance proceeds available for repairs and restoration, or (e) if zoning or other applicable laws or regulations do not permit such repairs and restoration, Landlord shall have the right, at its sole option, to terminate this Lease by giving written notice of termination to Tenant within one hundred eighty (180) days after the occurrence of such damage. If this Lease is

terminated pursuant to the preceding sentence, all Rent payable hereunder shall be apportioned and paid to the date of termination.

All time periods provided in this Section for Landlord's performance shall be subject to extension on account of delays in effectuating a satisfactory settlement with any insurance company involved and events beyond Landlord's reasonable control. In the event of any damage or destruction to the Building or Premises, it shall be Tenant's responsibility to secure the Premises and, upon notice from Landlord, to remove forthwith, at its sole cost and expense, property belonging to Tenant or its licensees from such portion of the Premises as Landlord shall request.

20. SUBORDINATION; ESTOPPEL LETTERS. This Lease is expressly subordinate to any current or future mortgage or mortgages placed on the Property and to all other documents executed in connection with any such mortgage. Tenant agrees not to pay rent more than thirty (30) days in advance and to attorn to any party acquiring rightful possession of the Premises by or through any such mortgage. Tenant agrees that from time to time it shall deliver to Landlord or Landlord's mortgagee or designee within ten (10) business days of the date of Landlord's or Landlord's mortgagees or such other designee's request, a statement, in writing, certifying (i) that this Lease is unmodified and in full force and effect, if this is so, or if there have been modifications, that the Lease, as modified, is in full force and effect; (ii) the dates to which Rent and other charges have been paid; (iii) that Landlord is not in default under any provisions of this Lease or, if in default, the nature thereof in detail; (iv) the subordination of this Lease to any current or future mortgage or mortgages placed on the Property by Landlord and Tenant's agreement to attorn to any party acquiring rightful possession of the Premises by or through any such mortgage; and (v) such other true statements as Landlord or Landlord's mortgagee or designee may require. Tenant's failure to execute and deliver such statements within the time required shall, at Landlord's election, be an Event of Default and shall also be conclusive upon Tenant that (a) this Lease is in full force and effect and has not been modified except as represented by Landlord; (b) that Landlord is not in default under any provisions of this Lease and that Tenant has no right of offset, counterclaim or deduction against Rent; and (c) not more than one month's Rent has been paid in advance.

21. ALTERATIONS; RESTORATION.

(A) Tenant shall not make or permit to be made any alterations, additions, or improvements in or to the Premises ("Alterations") without first obtaining the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. All Alterations (i) must comply with Applicable Law, (ii) must be compatible with the Building and its mechanical, electrical, heating, ventilating, air-conditioning and life safety systems; (iii) must not interfere with the use and occupancy of any other portion of the Building by any other tenant or their invitees; and (iv) must not affect the integrity of the structural portions of the Building. In addition, Landlord may impose as a condition to such consent such additional requirements as Landlord in its sole discretion deems necessary or desirable, including, without limitation: (a) Tenant's submission to Landlord, for Landlord's prior written approval, of all plans and specifications relating to the Alterations; (b) Landlord's prior written approval of the time or times when the Alterations are to be performed; (c) Landlord's prior written approval of the contractors and subcontractors performing work in connection with the Alterations; (d) Tenant's receipt of all necessary permits and approvals from all governmental authorities having jurisdiction over the Premises prior to the construction of the Alterations; (e) Tenant's delivery to Landlord of such bonds and insurance as Landlord customarily requires; (f) Tenant's payment to Landlord of a commercially reasonable fee for Landlord's supervision of any Alterations; (g) Tenant's and Tenant's contractor's compliance with such construction rules and regulations and building standards as

Landlord promulgates from time to time; and (h) Tenant's delivery to Landlord of "as built" drawings of the Alterations in such form or medium as Landlord may require. All direct and indirect costs relating to any modifications, alterations or improvements of the Building, whether outside or inside of the Premises, required by any governmental agency or by law as a condition or as the result of any Alteration requested or effected by Tenant shall be borne by Tenant. Landlord may elect to perform such modifications, alterations or improvements (at Tenant's sole cost and expense) or require such performance directly by Tenant. Tenant shall not permit any mechanic's lien or other liens to be placed upon the Premises or the Building as a result of any materials, services or labor ordered by or provided to Tenant or any of Tenant's agents, officers, or employees. Without waiving any other rights or remedies under this Lease, Landlord may bond or insure or otherwise discharge any such lien and Tenant shall reimburse Landlord for any amount paid by Landlord in connection therewith as Additional Rent upon demand.

(B) Upon the expiration or earlier termination of the Lease, Tenant shall surrender the Premises in good working order and condition. Tenant shall remove any and all Alterations, trade fixtures, equipment, data/telecommunications cabling and wiring installed by or on behalf of Tenant and furniture from the Premises and Tenant shall fully repair any damage, including any structural damage, occasioned by the removal of the same. Notwithstanding the foregoing, Landlord may require that Tenant not remove any or all Alterations and any such Alteration or Alterations shall become a part of the realty and shall belong to Landlord without compensation, and title thereto shall pass to Landlord under this Lease as by a bill of sale. At Landlord's election, all Alterations, trade fixtures, equipment, wire and cable, furniture, fixtures, other personal property not removed shall conclusively be deemed to have been abandoned by Tenant and may be appropriated, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant or to any other person and without obligation to account for them. Tenant shall pay Landlord all reasonable expenses incurred in connection with Landlord's disposition of such property, including without limitation the cost of repairing any damage to the Building or the Premises caused by removal of such property, and shall hold Landlord harmless from loss, liability, or expense arising from the claims of third parties such as Tenant's lenders whose loans are secured by such property. Tenant's obligations under this section shall survive the end of this Lease.

22. DEFAULT; REMEDIES.

(A) In addition to any other acts or omissions designated in this Lease as Events of Default, each of the following shall constitute an Event of Default by Tenant hereunder: (i) the failure to make any payment of Rent or any installment thereof or to pay any other sum required to be paid by Tenant under this Lease or under the terms of any other agreement between Landlord and Tenant; (ii) the use or occupancy of the Premises for any purpose other than the Permitted Use without Landlord's prior written consent or the conduct of any activity in the Premises which constitutes a violation of law; (iii) if the interest of Tenant or any part thereof under this Lease shall be levied on under execution or other legal process and said interest shall not have been cleared by said levy or execution within fifteen (15) days from the date thereof; (iv) if any voluntary or involuntary petition in bankruptcy or for corporate reorganization or any similar relief shall be filed by or against Tenant or any guarantor of the Lease or if a receiver shall be appointed for Tenant or any guarantor or any of the property of Tenant or guarantor; (v) if Tenant or any guarantor of the Lease shall make an assignment for the benefit of creditors or if Tenant shall admit in writing its inability to meet Tenant's debts as they mature; (vi) if any insurance required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each case, as permitted in this Lease, or mutually agreed to in writing by the parties; (vii) if Tenant shall fail to immediately discharge or bond over any lien placed upon the Premises in violation of this Lease; (viii) if any Letter of Credit required to be maintained by Tenant pursuant to this Lease shall be cancelled or terminated or shall expire or shall be reduced or materially changed, except, in each

case, as permitted in this Lease, or mutually agreed to in writing by the parties; (ix) if Tenant fails or refuses to take possession of the Premises or if Tenant shall abandon or vacate the Premises during the Term; (x) if Tenant shall fail to execute and deliver an estoppel certificate or subordination agreement as required hereunder; or (xi) the failure to observe or perform any of the other covenants or conditions in this Lease which Tenant is required to observe and perform and which Tenant has not corrected within twenty (20) days after written notice thereof to Tenant; provided, however, that if said failure involves the creation of a condition which, in Landlord's reasonable judgment, is dangerous or hazardous, Tenant shall be required to cure same within 24 hours.

(B) Upon the occurrence of an Event of Default by Tenant, the cost of all brokerage commissions, rental abatements, legal fees, Tenant allowances, work performed by Landlord to the Premises, and any other Tenant inducements paid or provided under this Lease plus interest on the foregoing items accruing from the Commencement Date at the Default Rate shall immediately become due, and Landlord may, at its option, with or without notice or demand of any kind to Tenant or any other person, exercise any one or more of the following described remedies, in addition to all other rights and remedies provided at law, in equity or elsewhere herein, and such rights and remedies shall be cumulative and none shall exclude any other right allowed by law:

(i) Landlord may terminate this Lease, repossess and re-let the Premises, in which case Landlord shall be entitled to recover as damages (in addition to any other sums or damages for which Tenant may be liable to Landlord) a lump sum equal to the amount by which the present value of the excess Rent remaining to be paid by Tenant for the balance of the Term of the Lease exceeds the fair market rental value of the Premises, after deduction of all anticipated expenses of reletting. For the purpose of determining present value, Landlord and Tenant agree that the interest rate shall be the rate applicable to the then-current yield on obligations of the U.S. Treasury having a maturity date on or about the Expiration Date. Should the fair market rental value of the Premises for the balance of the Term (after deduction of all anticipated expenses of reletting) exceed the value of the Rent to be paid by Tenant for the balance of the Term, Landlord shall have no obligation to pay to or otherwise credit Tenant for any such excess amount;

(ii) Landlord may, without terminating the Lease, terminate Tenant's right of possession, repossess the Premises including, without limitation, removing all or any part of Tenant's personal property in the Premises and to place such personal property in storage or a public warehouse at the expense and risk of Tenant, and relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to decorate, repair, remodel or alter the Premises. Tenant shall pay to Landlord as damages a sum equal to all Rent under this Lease for the balance of the Term unless and until the Premises are relet. If the Premises are relet, Tenant shall be responsible for payment upon demand to Landlord of any deficiency between the Rent as relet and the Rent for the balance of this Lease, all costs and expenses of reletting, and all reasonable decoration, repairs, remodeling, alterations, additions and collection of the rent accruing therefrom. Tenant shall not be entitled to any rents received by Landlord in excess of the rent provided for in this Lease. No re-entry or taking possession of the Premises by Landlord shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any breach, and in addition to the other remedies it may have, recover as damages (in addition to any other sums or damages for which Tenant may be liable to Landlord) a lump sum equal to the amount by which the present value of the excess Rent remaining to be paid by Tenant for the balance of the Term of the Lease exceeds the fair market rental value of the Premises, after deduction of all anticipated expenses of reletting. In the event Landlord

repossesses the Premises as provided above, Landlord may remove all persons and property from the Premises and store any such property at the cost of Tenant, without liability for damage; and

(iii) Landlord may, but shall not be obligated to, and without waiving or releasing Tenant from any obligations of Tenant hereunder, make any payment or perform such other act on Tenant's part to be made or performed as provided in this Lease. All sums so paid by Landlord and all necessary incidental costs shall be payable to Landlord as Additional Rent on demand and Tenant covenants to pay such sums.

(C) Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this section from time to time and that no suit or recovery of any portion due Landlord hereunder shall be any defense to any subsequent action brought for any amount not theretofore reduced to judgment in favor of Landlord.

(D) Tenant shall promptly pay upon notice, as Additional Rent, all reasonable costs, charges and expenses incurred by Landlord (including, without limitation, reasonable fees and out-of-pocket expenses of legal counsel, collection agents, and other third parties retained by Landlord) together with interest thereon at the rate set forth in Section 5 of this Lease, in collecting any amount due from Tenant, enforcing any obligation of Tenant hereunder, or preserving any rights or remedies of Landlord; and Tenant shall pay all reasonable attorneys' fees and expenses arising out of any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved or concerned.

(E) No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision, even if such violation be continued or repeated subsequently, and no express waiver by Landlord shall be valid unless in writing and shall not affect any provision other than the one specified in such written waiver and that provision only for the time and in the manner specifically stated in the waiver. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Term or Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of Rent shall not waive or affect said notice, suit or judgment. Landlord shall not be required to serve Tenant with any notices or demands as a prerequisite to its exercise of any of its rights or remedies under this Lease, other than those notices and demands specifically required under this Lease. Tenant expressly waives the service of any statutory demand or notice which is a prerequisite to Landlord's commencement of eviction proceedings against Tenant, including the demands and notices specified in any federal, state or local laws and ordinances.

(F) Landlord shall not be in default under this Lease unless Landlord fails to perform its obligations hereunder within thirty (30) days after Landlord's receipt of written notice from Tenant specifying how Landlord has failed to perform such obligations and the act required to cure the same; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall have no right to terminate this Lease or withhold Rent payments as such amounts become due and payable hereunder.

23. NOTICES. All notices permitted or required hereunder shall be in writing and (i) delivered personally, or (ii) sent by U.S. certified mail, postage prepaid, with return receipt requested, or (iii) sent overnight by nationally recognized overnight courier and sent to the respective parties at the Notice Addresses provided in Section 1 of this Lease. If sent by U.S.

certified mail, such notice shall be considered received by the addressee on the second (2nd) business day after posting. If sent by nationally recognized overnight courier, such notice shall be considered received by the addressee on the first (1st) business day after deposit with the courier. Notices may be given by an agent on behalf of Landlord or Tenant. Any notice from Landlord to Tenant shall also be deemed to have been given if delivered to the Premises, addressed to Tenant.

24. EMINENT DOMAIN. If during the Term (a) the whole of the Premises or the Building shall be taken by any governmental or other authority having powers of eminent domain or conveyed to such entity under threat of the exercise of such power or (b) any part of the Premises or the Building shall be so taken or conveyed and as a result, the remainder of the Premises or the Building has been rendered impractical, in Landlord's sole judgment, for the operation of Landlord's rental activities on the Property, this Lease shall terminate on the date of the taking or conveyance, and rent shall be apportioned to the date thereof. Tenant shall have no right to any apportionment of or any share in any condemnation award or judgment for damages made for the taking or conveyance of any part of the Premises or the Building.

25. QUIET ENJOYMENT. Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, while paying the rental and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord subject to the terms and provisions of this Lease. Landlord shall not be liable for any interference or disturbance by other tenants or third persons, nor shall Tenant be released from any of the obligations of this Lease because of such interference or disturbance.

26. RULES AND REGULATIONS. Tenant agrees to comply with (and cause its agents, contractors, employees and invitees to comply with) the rules and regulations attached hereto as Exhibit B and with such reasonable modifications thereof and additions thereto as Landlord may from time to time make. Landlord agrees to enforce the rules and regulations uniformly against all tenants of the Property. Landlord shall not be liable, however, for any violation of said rules and regulations by other tenants or occupants of the Building or Property.

27. ENVIRONMENTAL. "Environmental Laws" shall mean all federal, state and local laws (including, without limitation, case and common law), statutes, regulations, rules, ordinances, guidance, permits, licenses, grants, orders, decrees and judgments relating to the environment, human health and safety. "Hazardous Substances" shall mean all explosive materials, radioactive materials, hazardous or toxic materials, wastes, chemicals or substances, petroleum, petroleum by-products and petroleum products (including, without limitation, crude oil or any fraction thereof), asbestos and asbestos-containing materials, radon, lead, polychlorinated biphenyls, mold, urea-formaldehyde, and all materials, wastes, chemicals and substances that are regulated by any Environmental Law. Tenant shall not (i) manufacture, generate, utilize, store, handle, treat, process, or release any Hazardous Substances at, in, under, from or on the Premises or Property or (ii) suffer or permit to occur any violation of Environmental Laws with respect to the Premises or Property. Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord and at Tenant's sole cost) and hold harmless Landlord and its partners, managers, members, officers, directors, employees, agents, successors, grantees, assigns and mortgagees from any and all claims, demands, liabilities, damages, expenses, fees, costs, fines, penalties, suits, proceedings, actions, causes of action and losses of any and every kind and nature, including, without limitation, diminution in value of the Property, damages for the loss or restriction on use of the rentable or usable space or of any amenity, natural resource damages, damages arising from any adverse impact on leasing space on the Premises or Property, and sums paid in settlement of claims and for attorney's fees, consultant's fees and expert's fees that may arise during or after the Term or any extension of the Term in connection with any breach by Tenant of the covenants contained in this section, or the presence, release or threatened

release of Hazardous Substances at, in, under, from, to or on the Premises or Property, or any violation or alleged violation of any Environmental Laws. For purposes of this section, the term "costs" includes, without limitation, costs, expenses and consultant's fees, expert's fees and attorney's fees incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, restoration, monitoring or maintenance work. This covenant of indemnity shall survive the termination of this Lease. Notwithstanding the foregoing, the prohibition contained herein shall not apply to ordinary office products that may contain de minimis quantities of Hazardous Substances, provided such products are used in compliance with Environmental Laws; however, Tenant's indemnification obligations are not diminished with respect to the presence of such products. Tenant shall immediately notify Landlord of any release or threatened release at, in, under, from, to or on the Premises or Property.

28. FINANCIAL STATEMENTS. From time to time, but not more often than twice each year, Tenant shall furnish Landlord within ten (10) business days of such request copies of financial statements showing Tenant's current financial condition and the results of the previous year's operations which shall be certified as true and correct by the chief financial officer, or other responsible officer, of Tenant.

29. BROKERS. Landlord utilized the services of CBRE (the "Listing Broker") and Tenant utilized the services of CBRE (the "Non-Listing Broker") in connection with this Lease. Tenant represents to Landlord that Tenant did not involve any other brokers in procuring this Lease. Landlord shall pay a commission to the Non-Listing Broker and the Listing Broker as is agreed to by the parties per a separate agreement. Tenant agrees to forever indemnify, defend and hold Landlord harmless from and against any commissions, liability, loss, cost, damage or expense (including reasonable attorneys' fees) that may be asserted against or incurred by Landlord by any broker other than the Listing Broker and Non-Listing Broker as a result of any misrepresentation by Tenant hereunder.

30. MISCELLANEOUS.

(A) Time is of the essence of this Lease and each of its provisions.

(B) This Lease and all covenants and agreements herein contained shall be binding upon, apply, and inure to the respective heirs, executors, successors, administrators and assigns of all parties to this Lease; provided, however, that this Lease shall not inure to the benefit of any assignee, heir, administrator, devisee, legal representative, successor, transferee or successor of Tenant except upon the prior written consent of Landlord.

(C) This Lease contains the entire agreement of the parties, all other and prior representations, negotiations and agreements having been merged herein and extinguished hereby. No modification, waiver or amendment of this Lease or of any of its conditions or provisions shall be binding upon either party hereto unless in writing signed by both parties.

(D) The captions of sections and subsections of this Lease are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such sections or subsections.

(E) Interpretation of this Lease shall be governed by the laws of the state or commonwealth in which the Premises is located, without regard to conflict of laws. Tenant irrevocably submits to the nonexclusive jurisdiction of the courts of said state or commonwealth and agrees that all suits, actions, claims or proceedings may be heard and determined in such courts. Tenant waives any objection which it may have at any time to the laying of venue of any suit, action, claim or proceeding arising out of or relating to this Lease. The foregoing shall not be deemed to preclude Landlord from bringing any suit, action, claim or proceeding in connection with this Lease in any other jurisdiction.

(F) This Lease is and shall be deemed and construed to be the joint and collective work product of Landlord and Tenant and, as such, this Lease shall not be construed against either party, as the otherwise purported drafter of same, by any court of competent jurisdiction in order to resolve any inconsistency, ambiguity, vagueness or conflict, if any, in the terms or provisions contained herein.

(G) In the event that either party thereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure labor, inability to procure materials or equipment or reasonable substitutes therefore, failure of power, fire or other casualty, restrictive government laws or regulations, judicial orders, enemy or hostile government actions, riots, insurrection or other civil commotions, war or other reason of a like nature not at the fault of the party delayed in performing any act as required under the terms of this Lease ("Force Majeure"), then performance of such act shall be excused for the period of delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not operate to excuse Tenant from the prompt payment of Rent or any other payments required under the terms of this Lease.

(H) Tenant shall reimburse Landlord as Additional Rent on demand for all reasonable out-of-pocket expenses, including without limitation legal, engineering or other professional services or expenses incurred by Landlord in connection with any requests by Tenant for consents or approvals hereunder.

(I) A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

(J) If more than one person or entity shall ever be Tenant, the liability of each such person and entity shall be joint and several.

(K) If Tenant is a corporation, a limited liability company, an association or a partnership, it shall, concurrently with the signing of this Lease, at Landlord's option, furnish to Landlord certified copies of the resolutions of its board of directors (or of the executive committee of its board of directors) or consent of its members or partners authorizing Tenant to enter into this Lease. Moreover, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease and that Tenant is a duly organized corporation, limited liability company, association or partnership under the laws of the state of its incorporation or formation, is qualified to do business in the jurisdiction in which the Building is located, is in good standing under the laws of the state of its incorporation or formation and the laws of the jurisdiction in which the Building is located, has the power and authority to enter into this Lease, and that all corporate or partnership action requisite to authorize Tenant to enter into this Lease has been duly taken.

(L) The submission of this Lease to Tenant is not an offer to lease the Premises, or an agreement by Landlord to reserve the Premises for Tenant. Landlord shall not be bound to Tenant until Tenant has duly executed and delivered an original Lease to Landlord and Landlord has duly executed and delivered an original Lease to Tenant. Notwithstanding the Commencement Date or Commencement Date contemplated in Section 1 hereof, this Lease shall take effect and be binding upon the parties hereto as of its execution and delivery.

(M) This Lease may be executed in any number of counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature to this Lease transmitted

via facsimile (or other electronic means) shall be deemed an original signature and be binding upon the parties hereto.

(N) Tenant represents and warrants to Landlord that neither Tenant nor any of Tenant's members, shareholders or other equity owners, is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

31. PARKING. Tenant shall be entitled to the non-exclusive use, on a first come-first serve basis, of parking spaces in parking areas designated by Landlord at a ratio of four (4.0) parking spaces per 1,000 rentable square feet of the Premises, free of charge during the Term. Landlord shall not be obligated to enforce parking limits. Tenant shall not use any parking space designated by Landlord as visitor parking or as exclusive to other parties. If Tenant uses parking in excess of that provided for herein, and if such excess use occurs on a regular basis, and if Tenant fails, after written notice from Landlord of any one violation, to reduce its excess use of the parking areas, then such excess use shall constitute an Event of Default under this Lease without further notice or opportunity to cure such Event of Default.

32. SIGNAGE. Landlord, at Landlord's expense, shall furnish Tenant with initial Building standard suite entry and directory signage. All other signage shall be subject to Applicable Law and Landlord's prior written approval (which may be withheld in Landlord's sole and absolute discretion) and shall be at Tenant's sole cost and expense. Upon termination of this Lease, Tenant shall remove all signage installed by Tenant or at Tenant's request and repair any damage caused thereby.

33. SUBSTITUTION OF PREMISES. At any time after the date of execution of this Lease, Landlord may substitute other premises at the Property for the Premises ("Substitute Premises"), in which event the Substitute Premises shall be deemed to be the Premises for all purposes under this Lease; provided, however, that: (i) the Substitute Premises shall be located at the Property and shall be similar to the Premises in square footage and appropriateness for the Permitted Use; (ii) if Tenant is then occupying the Premises, Landlord shall pay the expense of moving Tenant, its property and equipment to the Substitute Premises; and (iii) Landlord shall give to Tenant not less than thirty (30) days' prior written notice of such substitution.

34. CERTAIN RIGHTS RESERVED TO LANDLORD. Landlord reserves the following rights, each of which Landlord may exercise without notice or liability to Tenant, and the exercise of any such rights shall not be deemed to constitute an eviction or disturbance of Tenant's use or possession of the Premises and shall not give rise to any claim for set-off or abatement of Rent or any other claim: (a) to enter the Premises for the purposes of examining the same or to make repairs or alterations or to provide any service; (b) to change the arrangement and/or locations of entrances, or passageways, doors and doorways, and corridors, windows, elevators, stairs, parking areas and any other common areas, (c) to change the name or street address of the Building or the suite number of the Premises; (d) to install, affix and maintain any and all signs on the exterior or interior of the Building; (e) to make repairs, decorations, alterations, additions or improvements, whether structural or otherwise, in, about and to the Building or common areas and for such purposes temporarily close doors, corridors and other areas of the Building and interrupt or temporarily suspend services or use of common areas; (f) to retain at all times, and to use in appropriate instances, keys to all doors within and into the Premises; (g) to grant to any person or to reserve unto itself the exclusive right to conduct any

business or render any service in the Building; (h) to show the Premises at reasonable times and, if vacated or abandoned, to prepare the Premises for reoccupancy; (i) to install, use and maintain in and through the Premises pipes, conduits, wires and ducts serving the Building; (j) to approve the weight, size and location of safes or other heavy equipment or other articles which may be located in the Premises and to determine the time and manner in which such articles may be moved in, about or out of the Building or Premises; and (k) to take any other action which Landlord deems reasonable in connection with the operation, maintenance, marketing or preservation of the Premises or Building. The reduction or elimination of Tenant's light, air or view shall not affect Tenant's liability under this Lease, nor shall it create any liability of Landlord to Tenant.

35. LEASE COMMENCEMENT/ACCEPTANCE OF PREMISES. At Landlord's request, Landlord and Tenant shall enter into a commencement letter agreement (the "Commencement Letter") in form substantially similar to that attached hereto as Exhibit C. Tenant's failure to execute and return the Commencement Letter, or to provide written objection to the statements contained in the Commencement Letter, within fifteen (15) days shall be deemed an approval by Tenant of the statements contained therein.

36. WAIVER OF RIGHT TO JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM, ACTION, PROCEEDING OR COUNTERCLAIM BY EITHER PARTY AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, AND/OR TENANT'S USE OR OCCUPANCY OF THE PREMISES OR BUILDING (INCLUDING ANY CLAIM OF INJURY OR DAMAGE OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY CURRENT OR FUTURE LAWS, STATUTES, REGULATIONS, CODES OR ORDINANCES).

37. RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a short form memorandum of this Lease for recording purposes.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Lease.

LANDLORD:

(A) LOA 26 LP,
a Delaware limited partnership

By: View 26 LLC,
a [TBD] limited liability company,
its General Partner

TENANT:

Exagen Inc.,
a Delaware corporation

By: /s/ John Aballi
Name: John Aballi
Title: CEO

By: /s/ Joshua Hanasab
Name: Joshua Hanasab
Title: Authorized Signatory

(A)

EXHIBIT A
THE PREMISES

Approximately 28,094 RSF

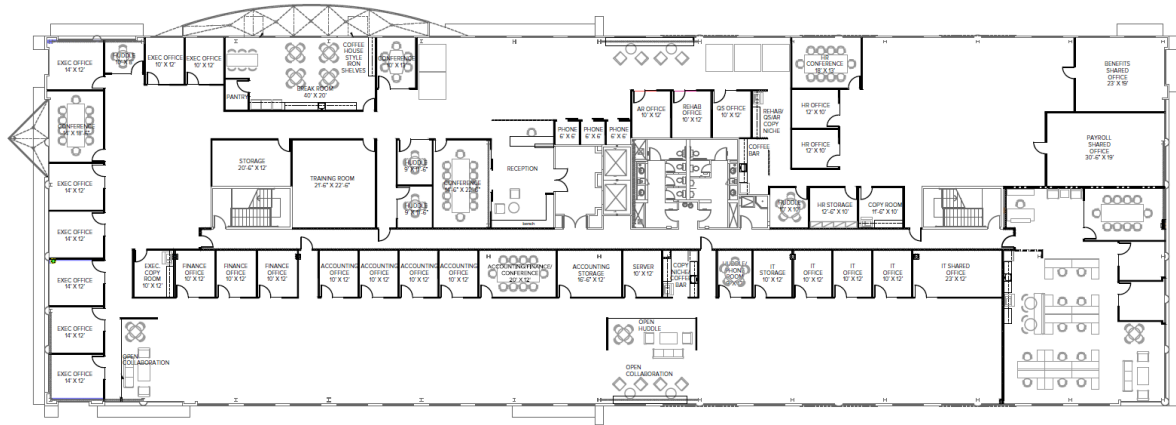


Exhibit A

EXHIBIT B

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations and Tenant shall cause all of its agents, contractors, subcontractors, employees, licensees, servants, invitees, and subtenants any persons or entities claiming through any of these persons or entities to faithfully observe and comply the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building or the Real Property. In the event of any conflict between the terms of the Lease and the following Rules and Regulations (as the same may be amended by Landlord), the terms of the Lease shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord.

2. All keys to the Building, the Premises, rooms, mailbox, and toilet rooms, if any, shall be obtained from Landlord. The Tenant, upon termination of the tenancy, shall deliver to the Landlord the keys to the Building, the Premises, rooms, mailbox, and toilet rooms, if any, which shall have been furnished and shall pay the Landlord the cost of replacing any lost key or of changing the lock(s) opened by such lost key if Landlord deems it necessary to make such change. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises, without prior written, consent of Landlord and subsequent delivery of a duplicate key to Landlord. Landlord shall retain a master key to the Premises and be allowed admittance thereto at all times to enable its representatives to examine the Premises.

3. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

4. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign a Building register when so doing. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged a pass for access to the Building. The Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

5. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property, furniture, fixtures, and equipment ("FF&E") brought into the Building. If such safe or heavy property is requested by Tenant, Landlord shall require structural review of the proposed Tenant FF&E at Tenant's sole cost. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Premises, Building, its contents, occupants or visitors by moving or maintaining any such FF&E shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

6. No bulky furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be reasonably designated by Landlord. Tenant shall provide Landlord with not less than 24 hours prior written notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building.

Notwithstanding the foregoing, all damage or injury to the Building or to the Premises, fixtures, appurtenances and/or equipment caused by the Tenant moving property in or out of the Building or the Premises or by Tenant's installation or removal of furniture, fixtures, or other property, or from any other cause of any kind or nature whatsoever due to carelessness, omission, neglect, or improper conduct, or other cause of the Tenant, its agents, employees, invitees, contractors or subcontractors shall be repaired, restored, or replaced promptly by the Landlord at Tenant's sole cost and expense. Landlord shall have the right to control and operate the common areas of the Building, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings.

The sidewalks, halls, passages, exits, entrances, elevators and stairways, driveways, and parking areas shall not be obstructed by tenants or used by them for any purpose other than for ingress and egress from their respective Premises. The halls, corridors, passages, stairways, elevators, exits, entrances and roof are not for the use of the general public and Landlord shall in all cases retain the right to the control thereof and prevent access thereto by all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation, and interests of the Building, the Property or its tenants, provided, however, that nothing herein contained shall be construed to prevent access by persons with whom Tenant normally deals in the ordinary course of Tenant's business, unless such persons are engaged in activities which are illegal or in contravention to these Rules and Regulations. Tenant and employees or invitees of Tenant shall NOT go upon the roof of the Building.

7. The requirements of Tenant will be attended to only upon application at the office location designated by Landlord. Employees or agents of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

Exhibit B

8. Tenant shall not disturb, solicit, or canvass any occupant of the Building or Property and shall reasonably cooperate with Landlord or Landlord's agents to prevent same.

9. Without the written consent of Landlord, Tenant shall not use the name of the Property in connection with or in promoting or advertising the business of Tenant except to identify Tenant's address.

10. The toilet rooms, showers, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or agents, shall have caused it.

11. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's prior written consent first had and obtained. The floor load of the Premises is designed for up to 80 pounds live load.

12. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than normal office machines shall be installed, maintained or operated upon the Premises without the prior written consent of Landlord.

13. Tenant shall not use or keep in or on the Premises or the Building any kerosene, gasoline or other inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied or approved in writing by the Landlord.

14. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed.

15. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner unreasonably offensive or objectionable to Landlord or other occupants of the Building or Real Property by reason of noise, odors, or vibrations, or unreasonably interfere in any way with other tenants or those having business therein.

16. No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Premises or in neighboring space without the prior written consent of Landlord.

17. Bicycles, motor scooters or any other type of vehicle shall not be brought into the lobby or elevators of the Building or into the Premises except for those vehicles which are used by a physically disabled person in the Premises. Bicycles must be stored only at designated bicycle racks.

Exhibit B

18. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are reasonably objectionable to Landlord and other tenants.

19. No Tenant shall occupy or permit any portion of the Premises to be occupied for the manufacture, sale, or use of liquor or narcotics in any form.

20. Landlord will approve where and how wires and cables are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the prior written consent of Landlord. The location of telephone, call boxes and other office equipment affixed to the Premises shall be subject to the prior written approval of Landlord.

21. Landlord reserves the right to exclude or expel from the Building or Property any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

22. Tenant, its employees and agents shall not loiter in the common areas including but not limited to the following: entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

23. Tenant shall not waste electricity, water or air conditioning and agrees to use commercially reasonable efforts to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system. This includes the closing of exterior blinds, preventing the sun rays to shine directly into areas adjacent to exterior windows.

24. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or Landlord approved receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the Carlsbad area without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate. All garbage and refuse shall be placed by Tenant in the containers at the location prepared by Landlord for refuse collection, in the manner and at the times and places specified by Landlord. Tenant shall not burn any trash or garbage of any kind in or about the Premises or the Project. All cardboard boxes must be "broken down" prior to being placed in the trash container. All styrofoam chips must be bagged or otherwise contained prior to placement in the trash container, so as not to constitute a nuisance. Pallets may not be disposed of in the trash bins or enclosures. It is the Tenant's responsibility to dispose of pallets by alternative means. Should any garbage or refuse not be deposited in the manner specified by Landlord, Landlord may after three (3) hours verbal notice to Tenant, take whatever action necessary to correct the infraction at Tenant's expense.

Exhibit B

25. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage, including keeping doors and other means of entry into the Premises closed during normal business hours and securely locked before leaving the Premises, and that all water faucets, water apparatus, and electricity are entirely shut off before Tenant or Tenant's employees leave the Premises. Tenant shall be responsible for any damage to the Premises, the Building, the Project or other tenants or their property caused by a failure to comply with this rule.

26. No contractors or vendors shall be allowed into the Building to perform services for Tenant without first providing Landlord evidence of required insurance.

27. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular Tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other Tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building or Real Property. Notwithstanding the foregoing, Landlord agrees to enforce the Rules and Regulations in a non-discriminatory manner.

28. No awnings, rooftop equipment, or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No aerial antenna shall be erected on the roof or exterior walls of the Premises, or on the grounds, without in each instance, the written consent of Landlord first being obtained. Any aerial or antenna so installed without such written consent shall be subject to removal by Landlord at any time without notice at Tenant's sole cost.

29. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. Such window coverings must be of a quality, type, design and color in form with building standards in order to maintain an attractive exterior appearance for the Building. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Building without the written consent of Landlord first had and obtained and Landlord shall have the right to remove and destroy any such sign, placard, picture, advertisement, name or notice to and at the expense of Tenant. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by the Landlord. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises: provided, however, that the Landlord may furnish and install a building standard window covering at all exterior windows. Tenant shall not without prior written consent of Landlord cause or otherwise install sunscreen on any window.

30. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

Exhibit B

31. The outside areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by the Tenant, to the satisfaction of the Landlord, and Tenant shall not place or permit any obstruction or materials in such areas. No exterior storage shall be allowed.

32. Tenant shall use at Tenant's cost such pest extermination contractors as Landlord may direct and at such intervals as Landlord may require.

33. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Real Property.

34. Food vendors shall be allowed in the Building upon receipt of a written request from the Tenant and proof of Landlord required insurance. The food vendor shall service only the tenants that have a written request on file with Landlord. Under no circumstance shall any food vendor providing service to Tenant display their products in a public or common area including corridors and elevator lobbies. Any failure to comply with this rule shall result in immediate permanent withdrawal of the vendor from the Building.

35. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

36. Tenant shall comply with any non-smoking ordinance adopted by Landlord and/or any applicable governmental authority. If Tenant is required under the ordinance to adopt a written smoking policy, a copy of said policy shall be on file in the office of the Building. In addition, no smoking of any substance shall be permitted within the Project except in specifically designated outdoor areas. Within such designated outdoor areas, all remnants of consumed cigarettes and related paraphernalia shall be deposited in ash trays and/or waste receptacles. No cigarettes shall be extinguished and/or left on the ground or any other surface of the Project. Cigarettes shall be extinguished only in ash trays. Furthermore, in no event shall Tenant, its employees or agents smoke tobacco products or other substances (x) within any interior areas of the Project, or (y) within two hundred feet (200') of the main entrance of the Building or the main entrance of any of the adjacent buildings, or (z) within seventy-five feet (75') of any other entryways into the Building.

37. Tenant and Tenant's employees, agents, contractors and other invitees shall not be permitted to bring firearms or weapons of any other type into the Building or surrounding areas at any time unless such person carrying the firearm or weapon has a required State or Federal CCW (Carry a Concealed Weapon) Permit.

38. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction

Exhibit B

or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety security program developed by Landlord or required by law.

39. Parking.

(A) Automobiles must be parked entirely within the stall lines on the ground.

(B) All directional signs and arrows must be observed.

(C) The speed limit shall be 5 miles per hour.

(D) Parking is prohibited in areas not striped for parking.

(E) Parking cards and/or access cards or and/or any other device or form of identification supplied by Landlord (or its operator) shall remain the property of Landlord (or its operator). Such parking identification and/or access card devices must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification and/or access card devices may not be obliterated. Devices are not transferable or assignable and any device in the possession of an unauthorized holder will be void. There will be a replacement charge to the Tenant or person designated by Tenant of \$50.00 for loss of any parking card and/or access card, as the case may be. There shall be an initial cost of \$25.00 due at issuance for each parking card key and access card issued to Tenant. Tenant shall immediately notify Landlord of any missing or lost parking or access cards and of the need to deactivate any parking or access card upon termination of any employee.

(F) Landlord (and its operator) may refuse to permit any person who violates the rules to park in the Building parking facility, and any violation of the rules shall subject the automobile to removal from the Building parking facility at the parker's expense.

(G) All responsibility for any loss or damage to automobiles or any personal property therein is assumed by the parker.

(H) Loss or theft of parking identification devices from automobiles must be reported to the Building parking facility manager immediately, and a lost or stolen report must be filed by the parker at that time.

(I) The parking facilities are for the sole purpose of parking one automobile per space. Washing, waxing, cleaning or servicing of any vehicles by the parker or his agents is prohibited.

(J) Landlord (and its operator) reserves the right to refuse the issuance of monthly stickers or other parking identification devices to any Tenant and/or its employees who refuse to comply with the above Rules and Regulations and all City, State or Federal Laws.

(K) Tenant agrees to acquaint all employees with these Rules and Regulations.

Exhibit B

(L) No vehicle shall be stored in the Building parking facility for a period of more than one (1) day.

40. Tenant shall be responsible for the compliance of these Rules and Regulations by Tenant's employees, agents, clients, customers, invitees and guests.

41. Without limiting the other terms and provisions of the Lease, these common types of damages will be charged back to the Tenant if they are not corrected prior to vacating the Premises:

- Keys not returned to Landlord for ALL locks, requiring the service of a locksmith and rekeying.
 - Removal of all decorator painting, wallpapering and paneling, or Landlord's prior consent to remain.
 - Electrical conduit and receptacles on the surface of walls.
 - Phone outlets, wiring, or phone equipment added on wall surfaces.
 - Security tape/magnetic tape switches for burglar alarm systems added to windows and door surfaces.
 - Penetration of roof membrane in any manner.
 - Holes in walls, doors, and ceiling surfaces.
 - Addition or change of building standard door hardware.
 - Painting or gluing of carpet or tile on floors.
 - Glass damage.
 - Damage to ceiling insulation.
 - Stains or damage to carpeting beyond normal wear and tear.
 - Damaged, inoperative, or missing electrical, plumbing, or HVAC equipment.
 - Debris and furniture requiring disposal.
 - Damaged or missing mini blinds, draperies, and baseboards.
 - Installation of additional improvements without Landlord's prior written approval and obtainment of required City building permits.
- Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in

Exhibit B

Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Property, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Property. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

Exhibit B

EXHIBIT C
COMMENCEMENT LETTER

_____, 20__

RE: Lease dated _____, between _____, a _____ (“Landlord”) and _____, a _____ (“Tenant”) concerning _____.

In accordance with the above-referenced Lease, we request that you and/or the proper authority, please confirm the following statements:

1. The Commencement Date is deemed to be _____ and the Expiration Date is _____.
2. Tenant acknowledges and agrees that as of the date of this letter (i) all improvements required by the Lease to be performed by Landlord to the Premises have been completed; and (ii) Tenant has accepted the Premises in its current condition.

Please confirm your agreement with the above terms of this letter by signing below and returning a copy to Landlord. Failure to execute this letter and deliver the same to Landlord shall be conclusive evidence against Tenant that the above statements are accurate and true.

Sincerely,

By:____
Name:
Its:

AGREED TO & ACCEPTED BY:

—

By:____
Name:
Its:

Exhibit C

EXHIBIT D

ADDITIONAL STIPULATIONS

The Additional Stipulations listed below are hereby incorporated and made a part of the Lease to which this Exhibit D is attached.

CALIFORNIA LAW. Notwithstanding anything to the contrary contained elsewhere in the Lease, the following provisions concerning California law are incorporated herein:

(a) Repairs. Tenant hereby waives the benefits of the provisions of California Civil Code Sections 1932 (1), 1941, and 1942 and any other similar laws, statutes or ordinances now or hereafter in effect regarding Landlord's obligations for Tenant habitability of the Premises and Tenant's right to make repairs and deduct the cost of such repairs from Rent and or terminate the Lease as a result of any failure by Landlord to maintain or repair.

(b) Liens. In the event that Tenant shall cause any liens to be placed on the Premises, Landlord may, within five (5) business days of notice to Tenant, and without waiving its rights based on such breach, in addition to any other remedies, record a bond pursuant to California Civil Code Section 3143 and all amounts incurred by Landlord in so doing shall become immediately due and payable by Tenant to Landlord as Additional Rent.

(c) Damage or Destruction. Landlord and Tenant acknowledge that the Lease constitutes the entire agreement of the parties regarding events of damage or destruction, and Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and any similar statute now or hereafter in force.

(d) Remedies Upon Default. If Landlord chooses to repossess the Premises as result of an Event of Default, then this Lease will automatically terminate in accordance with the provisions of California Civil Code Section 1951.2. In addition, Tenant waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, California Civil Code Section 3275 or under any other present or future law, if Tenant is evicted or Landlord takes possession of the Premises by reason of any Event of Default by Tenant.

(e) Intentionally Omitted.

(f) Continuation After Default. In event that Tenant's right to possession is not terminated after an Event of Default, Landlord may, without limitation of any other remedies allowed under this Lease, exercise all of the rights and remedies of a Landlord under Section 1951.4 of the California Civil Code, or any successor statute.

(g) Eminent Domain. Tenant hereby waives and releases any right to terminate this Lease under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure, or under any similar law, statute or ordinance now or hereafter in effect.

(h) Notice. Tenant hereby agrees that service of notice in accordance with the terms of the Lease shall be in lieu of the methods of service specified in Section 1161 of the California Code of Civil Procedure. The provisions of subdivision (a) of Section 1013 of the California Code of Civil Procedure, extending the time within which a right may be exercised or an act may be done, shall not apply to a notice given pursuant to this Lease.

(i) Hazardous Substances. Landlord hereby notifies Tenant, and Tenant hereby acknowledges that, prior to the leasing of the Premises pursuant to this Lease, Tenant has been notified, pursuant to California Health and Safety Code Section 25359.7 (or any successor statute), that Landlord knows, or has reasonable cause to believe, that certain hazardous substances (as such term is used in such Section 25359.7), such as common cleaning supplies, office supplies, spillage of petroleum from motor vehicles, and other consumer products, may have come to be located on or beneath the Premises.

(j) Warranties. Tenant, for itself and its agents, affiliates, successors and assigns, hereby releases and forever discharges Landlord and its officers, directors, members, managers, authorized persons, partners, agents, affiliates, successors and assigns from, and waives any right to proceed against Landlord and such related persons and entities for, any and all costs, expenses, claims, liabilities and demands (including attorney's fees and costs) at law or in equity, whether known or unknown, arising out of the physical, environmental, economic, legal, or other condition of the Premises, including any claims for contribution pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any other hazardous material laws which Tenant, or any of its agents, affiliates, successors or assigns, has or may have in the future. Without limiting the foregoing, Tenant hereby specifically waives the provisions of Section 1542 of the California Civil Code which provide: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

(k) In accordance with California Civil Code Section 1938, Landlord hereby informs Tenant that as of the Date of this Lease, the Premises has not been inspected by a Certified Access Specialist (as defined in California Civil Code section 55.52(3)) ("CASp"). Civil Code Section 1938(e) provides:

"A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."

Exhibit D

Accordingly, Landlord and Tenant hereby mutually agree that if Tenant desires to obtain a CASp inspection, (i) the CASp inspection shall be at Tenant's sole cost and expense, (ii) the inspection shall be performed by a CASp that is currently certified in California and has been reasonably approved by Landlord, (iii) the CASp inspection shall take place during regular business hours with at least five (5) business day's prior written notice to Landlord and shall not materially disrupt any of the other tenants within the Building, (iv) Tenant shall promptly provide Landlord with a copy of the final report prepared in connection with the CASp inspection (the "CASp Report"), and (v) Tenant shall be solely responsible for promptly making any repair or modifications necessary to correct violations of construction-related accessibility standards that are noted in the CASp Report and shall defend with competent counsel, indemnify and hold Landlord harmless from any claims, damages or liability resulting from Tenant's failure to promptly make such repairs. Tenant hereby acknowledges and agrees that the CASp Report is to be kept strictly confidential, except as necessary for Tenant to complete repairs and correct violations of construction-related accessibility standards as noted in the CASp Report. Accordingly, except as provided above or as may be required by law or court order, Tenant shall not release, publish or otherwise distribute (and shall not authorize or permit any other person or entity to release, publish or otherwise distribute) any information contained in the CASp Report. Tenant's obligations hereunder shall survive the expiration or sooner termination of this Lease.

(L) Energy Use Disclosure Requirements Throughout the Term, and within ten (10) business days following Landlord's written request, Tenant shall deliver to Landlord such information and/or documentation as Landlord requires and otherwise cooperate with Landlord (including, but not limited to, the execution of any documentation) to assist Landlord in its compliance with the Nonresidential Building Energy Use Disclosure Program set forth in California Code of Regulations, Title 20, Division 2, Chapter 4, Article 9, Sections 1680 et. seq. (and pursuant to Public Resources Code Section 25402.10), any successor or related statute(s) and/or code(s), and any other energy use disclosure requirements or programs required by law.

OPTION TO EXTEND. Notwithstanding anything to the contrary contained elsewhere in the Lease, the following provisions concerning Tenant's option to extend the Term are incorporated herein:

(A) Grant of Option. Provided that Tenant is not then in default under the Lease beyond any applicable notice and cure period, and provided further that Exagen, Inc. (or a Permitted Transferee) is in occupancy of the entire Premises, Tenant shall have one (1) option to extend the Term for an additional period of three (3) years (the "Extension Term"), commencing immediately upon the expiration of the initial Term, on all of the same terms and conditions of the Lease, except that Base Rent during the Extension Term shall be the Fair Market Rent as determined below, and except that Tenant shall have no further option to extend following the Extension Term.

(B) Exercise. Tenant shall exercise the option, if at all, by delivering irrevocable written notice to Landlord no earlier than twelve (12) months, and no later than nine (9) months, prior to the expiration of the initial Term. Time is of the essence with respect to such notice. If Tenant fails to timely and properly exercise the option, the option shall automatically and permanently lapse, and Tenant shall have no further right to extend the Term.

Exhibit D

(C) Fair Market Rent; Baseball Arbitration. Following Tenant's exercise of the option, Landlord and Tenant shall attempt in good faith to agree upon the Fair Market Rent for the Premises for the Extension Term. If Landlord and Tenant are unable to agree upon Fair Market Rent within thirty (30) days after Tenant's exercise notice, then, within ten (10) business days thereafter, each of Landlord and Tenant shall simultaneously submit to the other, in a sealed envelope, its good faith determination of Fair Market Rent together with the name of a real estate broker or appraiser with at least ten (10) years' experience leasing or appraising comparable office space in the Carlsbad, California submarket. The two designated brokers/appraisers shall, within fifteen (15) days, select a third broker/appraiser meeting the same qualifications, and such third broker/appraiser shall, within thirty (30) days after being selected, choose either Landlord's submitted Fair Market Rent or Tenant's submitted Fair Market Rent (and no other figure), whichever the third broker/appraiser determines to more closely reflect the actual Fair Market Rent, and such selection shall be final and binding on Landlord and Tenant. Each party shall bear the cost of its own broker/appraiser, and the parties shall split equally the cost of the third broker/appraiser. "Fair Market Rent" shall mean the annual rental rate per rentable square foot, including annual escalations, then being charged for comparable space in comparable buildings in the Carlsbad, California submarket, taking into account all relevant factors.

(D) Documentation. Promptly after Fair Market Rent is determined, Landlord and Tenant shall execute an amendment to the Lease confirming the Base Rent and other terms applicable to the Extension Term, although the failure to do so shall not affect the effectiveness of Tenant's exercise of the option.

JANITORIAL SELF-SERVICE OPTION. Notwithstanding anything to the contrary contained elsewhere in the Lease, the following provisions concerning Tenant's option to self-perform janitorial service are incorporated herein:

(A) Grant of Option. Tenant shall have a one-time option (the "Janitorial Self-Service Option") to elect to provide janitorial service to the Premises itself, at Tenant's sole cost and expense, for the balance of the Term following such election, in lieu of Landlord providing or arranging for such service.

(B) Exercise. Tenant shall exercise the Janitorial Self-Service Option, if at all, by delivering irrevocable written notice to Landlord no later than March 1, 2027. Time is of the essence with respect to such notice. The Janitorial Self-Service Option is personal to Tenant, may be exercised only once, and shall automatically and permanently lapse if not timely exercised in accordance with this Section, with no further right to elect self-service janitorial thereafter.

(C) Rent Adjustment. If, and only if, Tenant timely and properly exercises the Janitorial Self-Service Option, then, effective as of the Commencement Date, the rate of Base Rent otherwise set forth in Section 1 of the Lease shall be adjusted to [***] per rentable square foot per month for Month 1 through Month 12 of the Term, with Base Rent for each succeeding twelve-month period (and the final partial period, if any) continuing to increase by three percent (3%) over the actual Base Rent payable for the immediately preceding twelve-month period, calculated in the same manner as, and in lieu of, the Base Rent schedule set forth in Section 1. For reference only, and subject to the foregoing methodology, such adjusted Base Rent schedule

would be: [***] All other Additional Rent, including Tenant's Percentage share of Taxes and Operating Expenses, shall remain payable as otherwise provided in the Lease; provided that, to the extent Operating Expenses include a component for janitorial service to the Premises, Landlord may equitably adjust such component to reflect Tenant's self-performance of janitorial service following Tenant's exercise of this option.

Exhibit D

EXAGEN INC.
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Aballi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exagen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ John Aballi

John Aballi

President and Chief Executive Officer

(Principal Executive Officer)

EXAGEN INC.
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey G. Black, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exagen Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2026

/s/ Jeffrey G. Black

Jeffrey G. Black

Chief Financial Officer

(Principal Financial and Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Exagen Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

1. The accompanying quarterly report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Dated: August 4, 2026

/s/ John Aballi

John Aballi

President and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Exagen Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

1. The accompanying quarterly report on Form 10-Q of the Company for the quarterly period ended June 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Dated: August 4, 2026

/s/ Jeffrey G. Black

Jeffrey G. Black

Chief Financial Officer

(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.