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 March 31, 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	**20-0434866**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1261 Liberty Way Vista, CA	**92081**
(Address of Principal Executive Offices)	**(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 May 6, 2026 was 24,159,839.

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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)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 21,513	$ 32,220
Accounts receivable, net	15,773	10,855
Prepaid expenses and other current assets	6,297	5,818
Total current assets	43,583	48,893
Property and equipment, net	6,611	6,938
Operating lease right-of-use assets	1,179	1,435
Other assets	584	756
Total assets	$ 51,957	$ 58,022
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,159	$ 4,153
Accrued and other current liabilities	4,772	6,327
Deferred revenue	681	675
Finance lease liabilities, current	1,113	1,135
Operating lease liabilities, current	1,259	1,226
Borrowings, current	580	643
Total current liabilities	12,564	14,159
Borrowings, non-current, net of discounts and debt issuance costs	22,291	22,264
Finance lease liabilities, non-current	1,792	1,960
Operating lease liabilities, non-current	111	438
Warrant liability	767	1,752
Total liabilities	37,525	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 March 31, 2026 and December 31, 2025	—	—
Common stock, $0.001 par value per share; 200,000,000 shares authorized as of March 31, 2026 and December 31, 2025; 24,088,057 and 22,911,575 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	24	23
Additional paid-in capital	332,657	331,708
Accumulated deficit	(318,249)	(314,282)
Total stockholders' equity	14,432	17,449
Total liabilities and stockholders' equity	$ 51,957	$ 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 March 31,	
	2026	**2025**
Revenue	$ 17,306	$ 15,498
Cost of revenue	7,101	6,375
Gross profit	10,205	9,123
Operating expenses:		
Selling, general and administrative expenses	12,066	11,204
Research and development expenses	1,553	1,284
Total operating expenses	13,619	12,488
Loss from operations	(3,414)	(3,365)
Interest expense	(1,267)	(545)
Change in fair value of warrant liability	882	—
Other income (expense), net	(132)	158
Loss before income taxes	(3,931)	(3,752)
Income tax expense	(36)	—
Net loss	$ (3,967)	$ (3,752)
Net loss per share, basic and diluted	$ (0.17)	$ (0.20)
Weighted-average number of shares used to compute net loss per share, basic and diluted	23,854,997	18,557,390

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

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

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

Exagen Inc.

Unaudited Condensed Statements of Cash Flows
(in thousands)

	Three Months Ended March 31,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (3,967)	$ (3,752)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	599	440
Amortization of debt discount and debt issuance costs	133	42
Amortization of loan commitment fees	661	—
Change in fair value of warrant liability	(882)	—
Non-cash operating lease expense	256	234
Stock-based compensation	655	417
Other	(99)	74
Changes in assets and liabilities:		
Accounts receivable, net	(4,918)	(6,893)
Prepaid expenses and other current assets	(1,140)	2
Other assets	172	72
Operating lease liabilities	(295)	(263)
Accounts payable	(41)	231
Deferred revenue	6	143
Accrued and other current liabilities	(1,557)	(1,418)
Net cash used in operating activities	(10,417)	(10,671)
Cash flows from investing activities:		
Purchases of property and equipment	(228)	(113)
Proceeds from disposal of property and equipment	—	6
Net cash used in investing activities	(228)	(107)
Cash flows from financing activities:		
Proceeds from common stock issued under Employee Stock Purchase Plan	295	198
Principal payments on finance lease obligations	(189)	(90)
Principal payments on notes payable obligations	(168)	(107)
Payment of debt issuance costs	—	(65)
Net cash used in financing activities	(62)	(64)
Net decrease in cash, cash equivalents and restricted cash	(10,707)	(10,842)
Cash, cash equivalents and restricted cash, beginning of period	32,420	22,236
Cash, cash equivalents and restricted cash, end of period	$ 21,713	$ 11,394
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 856	$ 402
Supplemental disclosure of non-cash items:		
Unpaid equipment settled under financing arrangement	$ —	$ 677
Costs incurred, but not paid, in connection with capital expenditures	$ 72	$ 176

The accompanying notes are an integral part of these unaudited 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 March 31, 2026, the Company had cash and cash equivalents of $21.5 million and had an accumulated deficit of $318.2 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. The Company held claims in the first 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 is expected in the remaining three 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 March 31, 2026, condensed statements of operations and stockholders' equity for the three months ended March 31, 2026 and 2025, cash flows for the three months ended March 31, 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 March 31, 2026 and its results of operations for the periods presented. The results for the three months ended March 31, 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, 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 March 31,	
	2026	2025
Customer A	24 %	23 %
Customer B	21 %	18 %

	Accounts Receivable, Net	
	March 31, 2026	December 31, 2025
Customer A	26 %	23 %
Customer B	23 %	19 %
Customer C	11 %	14 %

For the three months ended March 31, 2026 and 2025, approximately 91% and 92%, respectively, of the Company's revenue was related to the AVISE® CTD test.

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 March 31, 2026 and 2025 approximately 98% and 76%, 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 March 31,	
	2026	2025
Revenue:		
Commercial	$ 9,476	$ 8,185
Government	4,281	3,637
Client direct bill(1)	3,450	3,600
Other(2)	99	76
Total revenue	$ 17,306	$ 15,498

(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):

	March 31, 2026	December 31, 2025
Cash and cash equivalents	$ 21,513	$ 32,220
Restricted cash	200	200
Total cash, cash equivalents and restricted cash	$ 21,713	$ 32,420

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 March 31, 2026 and 2025 were net revenue increases of $1.1 million and $0.7 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 $0.7 million as of each of March 31, 2026 and December 31, 2025. The Company recognized revenue of $0.1 million out of the beginning deferred revenue balance during each of the three months ended March 31, 2026 and 2025. 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 each of March 31, 2026 and 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 $15.8 million and $10.9 million at March 31, 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 $0.7 million in prepaid expenses and other current assets on the condensed balance sheets as of March 31, 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 months ended March 31, 2026, 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 three months ended March 31, 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.

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 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 months ended March 31, 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):

	March 31, 2026	March 31, 2025
Warrants to purchase common stock	131	325,330
Common stock options	706,839	608,146
Restricted stock units	2,129,706	1,822,547
Employee stock purchase plan	17,480	14,844
Total	2,854,156	2,770,867

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):

	March 31, 2026	December 31, 2025
Diagnostic testing supplies	$ 4,098	$ 3,296
Prepaid maintenance and insurance contracts	1,476	1,302
Loan commitment fees	685	1,182
Other prepaid expenses and other current assets	38	38
Prepaid expenses and other current assets	$ 6,297	$ 5,818

Property and Equipment, net

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

	March 31, 2026	December 31, 2025
Furniture and fixtures	$ 121	$ 121
Laboratory equipment	4,978	4,530
Computer equipment and software	2,302	2,121
Leasehold improvements	3,377	3,308
Finance lease right-of-use assets	3,061	3,708
Construction in progress	506	294
Total property and equipment	14,345	14,082
Less: accumulated depreciation and amortization	(7,734)	(7,144)
Property and equipment, net	$ 6,611	$ 6,938

Depreciation and amortization expense for the three months ended March 31, 2026 and 2025 was approximately $0.6 million and $0.4 million, respectively. At each of March 31, 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):

	March 31, 2026	December 31, 2025
Accrued payroll and related expenses	$ 3,658	$ 5,411
Other accrued liabilities	1,114	916
Accrued and other current liabilities	$ 4,772	$ 6,327

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), 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 March 31, 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 three months ended March 31, 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 March 31, 2026, the Company recognized $1.1 million of interest expense, including $0.1 million of debt discount amortization in connection with the Perceptive Term Loan Facility. The effective interest rate was 16.2% per annum. As of March 31, 2026, the Perceptive Term Loan Facility had a carrying value of $21.8 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. As of March 31, 2025, the 2017 Term Loan was fully drawn with an outstanding principal balance of $19.8 million and a carrying

value of $19.3 million. The interest rate on all borrowings under the Amended Loan Agreement was the sum of (a) the greater of 8.0% or The Wall Street Journal prime rate plus (b) 2.0%. Interest on any outstanding term loan advances was due and payable monthly, unless the Company elected to pay paid-in-kind interest. In addition to the monthly interest payments, a final payment equal to $1.0 million was due the earlier of the maturity date or the date the advance is repaid. Principal balances were required to be repaid in 24 equal installments which began on August 1, 2023.

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 March 31, 2026, the total liability balance related to the financed equipment was $1.1 million, with $0.6 million classified within borrowings, current and $0.5 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 March 31, 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)	2,775
2027	3,450
2028	3,117
2029	2,978
2030	25,930
Total	38,250
Less:	
Unamortized debt discount and issuance costs	(3,172)
Interest	(12,207)
Total borrowings, net of discounts and debt issuance costs	22,871
Less: Borrowings, current	(580)
Borrowings, non-current, net of discounts and debt issuance costs	$ 22,291

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 March 31, 2026, the Company had a finance lease ROU asset of $2.6 million and lease liabilities of $2.6 million on the Company's balance sheets related to the embedded finance lease. For the three months ended March 31, 2026, the Company recorded interest expense of $0.1 million related to this embedded finance lease on the Company's statements of operations.

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 March 31, 2026, the Perceptive Term Loan Facility had a carrying value of $21.8 million and a fair value of $22.2 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 March 31, 2026 and December 31, 2025 was $1.1 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):

	March 31, 2026			
	Total	Level 1	Level 2	Level 3
Liabilities:				
Warrant liability	$ 767	$ —	$ —	$ 767

	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:

	March 31, 2026	December 31, 2025
Fair value of underlying common stock	$ 3.00	$ 6.08
Exercise price	$3.00 - $3.38	$6.08 - $6.84
Risk-free interest rate	4.3%	4.2%
Expected volatility	85.2%	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 March 31, 2026 and applied a weighted-average probability of approximately 50% as of March 31, 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	(882)
Termination of Tranche C Warrant Shares	(103)
Balance at March 31, 2026	$ 767

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 March 31, 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 three months ended March 31, 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.

Outstanding Warrants

The following equity classified warrants to purchase common stock of the Company were outstanding and exercisable as of March 31, 2026:

	Shares	Exercise Price	Issuance date	Expiration date
Common stock warrants	131	$ 1.84	April 1, 2016	April 1, 2026
	131			

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 three months ended March 31, 2026. No warrants to purchase common stock of the Company were exercised during the three months ended March 31, 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 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. 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 March 31, 2026, 2,401,275 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	649,748	$ 3.18
Awards released	(275,671)	$ 2.73
Awards canceled	(40,010)	$ 2.92
Outstanding, March 31, 2026	2,129,706	$ 3.81

As of March 31, 2026, all of the 2,129,706 outstanding RSUs were unvested. The fair value of RSUs vested in the three months ended March 31, 2026 and 2025 was $1.0 million and $0.8 million, respectively. The weighted average grant date fair value per share for RSUs granted during the three months ended March 31, 2026 and 2025 was $3.18 and $3.71 per RSU, respectively. As of March 31, 2026, total unrecognized compensation cost related to RSUs was $7.2 million, which is expected to be recognized over a remaining weighted-average vesting period of 2.8 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	190,000	$ 3.16		
Forfeited	(10,000)	$ 3.58		
Outstanding, March 31, 2026	706,839	$ 5.91	7.29	$ 186
Vested and expected to vest, March 31, 2026	706,839	$ 5.91	7.29	$ 186
Options exercisable, March 31, 2026	379,212	$ 7.68	5.35	$ 179

There were 190,000 and 120,070 stock options granted in the three months ended March 31, 2026 and 2025, 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 three months ended March 31, 2026, and 2025. As of March 31, 2026, total unrecognized compensation cost related to option awards was $0.7 million, which is expected to be recognized over a remaining weighted-average vesting period of 2.9 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 March 31, 2026, 675,900 shares of the Company's common stock remained available for issuance under the ESPP. During the three months ended March 31, 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 and stock purchase rights granted under the ESPP in the condensed statements of operations is as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Cost of revenue	$ 48	$ 55
Selling, general and administrative	500	346
Research and development	107	16
Total	$ 655	$ 417

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 $52.0 million and $58.0 million as of March 31, 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 March 31,	
	2026	2025
Revenue	$ 17,306	$ 15,498
Cost of revenue	7,101	6,375
Gross profit	10,205	9,123
Segment operating expenses:		
Employee expense	8,408	7,548
Outside services	1,203	1,117
Facilities related	879	900
Travel & entertainment	677	736
Stock compensation	607	362
Depreciation and amortization	230	258
Other[1]	1,615	1,567
Total segment operating expenses	13,619	12,488
Loss from operations	(3,414)	(3,365)
Interest expense	(1,267)	(545)
Change in fair value of warrant liability	882	—
Other income (expense), net	(132)	158
Loss before income taxes	$ (3,931)	$ (3,752)
Income tax expense	(36)	—
Segment net loss	$ (3,967)	$ (3,752)

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

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 91% and 92% of our revenue for the three months ended March 31, 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.

- 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.

- Kidney Damage Biomarkers. We have a multi-analyte blood-based panel under development, which sensitively detects kidney damage in early renal disease, outperforming creatinine and estimated glomerular filtration rate. Two U.S. provisional patent applications were filed in May 2025 for methods of detecting kidney damage using the blood-based panel. In addition, two abstracts were presented at ACR 2025 on our biomarker panel for early kidney damage comprising uromodulin, myo-inositol oxygenase, heparanase, and apoptosis-resistant E3 ubiquitin ligase 1. Further investment is needed to make this offering commercially viable, and it has been deprioritized at this time, in light of other high-potential programs within our pipeline.

- 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, we gain a unique understanding about potential avenues for product development in the area of myositis.

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 and continue to hold claims in the first half of the fiscal year, which typically results in increases in our accounts receivable and an accelerated decrease in our cash in the same period, with the trend subsequently reversed in the second half of the fiscal year as cash is collected on billed tests.

- *Expanding Adoption of AVISE® CTD.* Since the launch of AVISE® CTD in 2012 and through March 31, 2026, we have delivered over one million of these tests. During the three months ended March 31, 2026, the number of AVISE® CTD tests delivered increased by approximately 10% 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 January 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 the success of the T-Cell Biomarker and RA and PAD4 Sub-Profile Biomarkers enhancements to our AVISE® CTD test, in addition to our ability to further penetrate the market for our current and future testing products and increase our reimbursement and collection rates (ASP) for tests delivered.

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. 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 (MolDX) 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 MolDX 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 MolDX 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 March 31, 2026 improved by approximately 10% as compared to the number of AVISE® CTD tests delivered during the three months ended March 31, 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 6% during the three months ended March 31, 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.

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 March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,		
	2026	2025	Change
Revenue	$ 17,306	$ 15,498	$ 1,808
Cost of revenue	7,101	6,375	726
Gross profit	10,205	9,123	1,082
Operating expenses:			
Selling, general and administrative expenses	12,066	11,204	862
Research and development expenses	1,553	1,284	269
Total operating expenses	13,619	12,488	1,131
Loss from operations	(3,414)	(3,365)	(49)
Interest expense	(1,267)	(545)	(722)
Change in fair value of warrant liability	882	—	882
Other income (expense), net	(132)	158	(290)
Loss before income taxes	(3,931)	(3,752)	(179)
Income tax expense	(36)	—	(36)
Net loss	$ (3,967)	$ (3,752)	$ (215)

Revenue

Revenue increased $1.8 million, or 11.7%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to ASP expansion driven primarily by our new biomarkers, and, to a lesser extent, an increase in test volume. The number of AVISE® CTD tests delivered in the three months ended March 31, 2026 increased by approximately 10% compared to the same period in 2025. In addition, our AVISE® CTD trailing twelve-month ASP increased by $25 per test to $444 per test in the first quarter of 2026 from $419 per test in the first quarter of 2025.

Cost of Revenue

Cost of revenue increased $0.7 million, or 11.4%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. This increase was primarily due to increases of $0.5 million in the cost of materials and supplies, $0.2 million in depreciation and amortization, and $0.2 million in other expenses, partially offset by a decrease of $0.2 million in employee-related expenses (including salaries, benefits and stock-based compensation).

Gross Margin

Gross margin as a percentage of revenue increased to 59.0% for the three months ended March 31, 2026 compared to 58.9% for the three months ended March 31, 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 $0.9 million, or 7.7%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. This increase was primarily due to an increase of $0.8 million in employee-related expenses (including salaries, benefits, commissions, bonuses and stock-based compensation) and an increase of $0.1 million in outside services.

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 $0.3 million, or 21.0%, for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. This increase was primarily due to an increase of $0.3 million in employee-related expenses (including salaries, benefits, bonuses and stock-based compensation) and an increase of $0.1 million in clinical trial expenses, partially offset by a decrease of $0.1 million in outside services.

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 $0.7 million, including an increase of $0.3 million in non-cash interest expense, for the three months ended March 31, 2026 compared to the three months ended March 31, 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.

Change in Fair Value of Warrant Liability

The fair value of the warrant liability increased by $0.9 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to the Credit Agreement executed in April 2025.

Other Income (Expense), net

Interest income decreased $0.3 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025, primarily due to a $0.3 million net loss on debt modification related to the First Amendment executed in March 2026.

Liquidity and Capital Resources

We have incurred net losses since our inception. For the three months ended March 31, 2026 and 2025, we incurred a net loss of $4.0 million and $3.8 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 March 31, 2026, we had an accumulated deficit of $318.2 million and cash and cash equivalents of $21.5 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. 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 is expected in the remaining three 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 March 31, 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 March 31, 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 three months ended March 31, 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. 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:

	Three Months Ended March 31,	
	2026	2025
(in thousands)		
Net cash provided by (used in):		
Operating activities	$ (10,417)	$ (10,671)
Investing activities	(228)	(107)
Financing activities	(62)	(64)
Net change in cash, cash equivalents and restricted cash	$ (10,707)	$ (10,842)

Cash Flows from Operating Activities

Net cash used in operating activities for the three months ended March 31, 2026 was $10.4 million, primarily resulting from (i) our net loss of $4.0 million adjusted for non-cash charges of $1.3 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 $7.8 million primarily related to net increases in accounts receivable and prepaid expenses and other current assets, partially offset by net decreases in accrued and other current liabilities and operating lease liabilities.

Net cash used in operating activities for the three months ended March 31, 2025 was $10.7 million, primarily resulting from (i) our net loss of $3.8 million adjusted for non-cash charges of $1.2 million primarily related to stock-based compensation, depreciation, amortization, non-cash lease expense and non-cash interest, and (ii) changes in our net operating assets of $8.1 million primarily related to net increases in accounts receivable and net decreases in accrued and other current liabilities and operating lease liabilities, partially offset by net increases in accounts payable.

Cash Flows from Investing Activities

Net cash used in investing activities for the three months ended March 31, 2026 and 2025 was $0.2 million and $0.1 million, respectively, due to net purchases of property and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities for the three months ended March 31, 2026 was $0.1 million, primarily resulting from payments on finance lease and notes payable obligations, partially offset by proceeds from ESPP purchases.

Net cash used in financing activities for the three months ended March 31, 2025 was $0.1 million, primarily resulting from payments on finance lease and notes payable obligations, partially offset by proceeds from ESPP purchases.

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 three months ended March 31, 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 March 31, 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 March 31, 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 March 31, 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.

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#	Amended & Restated Non-Employee Director Compensation Program					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 March 31, 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.

Management compensatory plan or arrangement.

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: May 11, 2026 by: /s/ John Aballi

John Aballi
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 11, 2026 by: /s/ Jeffrey G. Black

Jeffrey G. Black
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXAGEN INC.

AMENDED AND RESTATED

NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Eligible Directors (as defined below) on the board of directors (the "***Board***") of Exagen Inc. (the "***Company***") shall be eligible to receive cash and equity compensation as set forth in this Amended and Restated Non-Employee Director Compensation Program (this "***Program***"). The cash and equity compensation described in this Program shall be paid or be made, as applicable, automatically as set forth herein and without further action of the Board, to each member of the Board who is not an employee of the Company or any of its parents, affiliates or subsidiaries (each, an "***Eligible Director***"), who may be eligible to receive such cash or equity compensation, unless such Eligible Director declines the receipt of such cash or equity compensation by written notice to the Company. Eligible Directors will include members of the Board who are designated by or affiliated with H.I.G. Capital, LLC (the "***Affiliated Directors***").

This Program shall become effective on February 27, 2026 (the "***Effective Date***") and shall remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time in its sole discretion. No Eligible Director shall have any rights hereunder, except with respect to equity awards granted pursuant to Section 2 of this Program.

1. Cash Compensation.

a. Annual Retainers. Each Eligible Director shall be eligible to receive an annual cash retainer of $50,000 for service on the Board.

b. Additional Annual Retainers. An Eligible Director shall be eligible to receive the following additional annual retainers, as applicable:

(i) Chairman of the Board. An Eligible Director serving as Chairman of the Board shall be eligible to receive an additional annual retainer of $20,000 for such service.

(ii) Audit Committee. An Eligible Director serving as Chairperson of the Audit Committee shall be eligible to receive an additional annual retainer of $12,000 for such service. An Eligible Director serving as a member of the Audit Committee (other than the Chairperson) shall be eligible to receive an additional annual retainer of $7,500 for such service.

(iii) Compensation Committee. An Eligible Director serving as Chairperson of the Compensation Committee shall be eligible to receive an additional annual retainer of $10,000 for such service. An Eligible Director serving as a member of the Compensation Committee (other than the Chairperson) shall be eligible to receive an additional annual retainer of $7,500 for such service.

(iv) Nominating and Corporate Governance Committee. An Eligible Director serving as Chairperson of the Nominating and Corporate Governance Committee shall be eligible to receive an additional annual retainer of $9,000 for such service. An Eligible Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall be eligible to receive an additional annual retainer of $7,500 for such service.

c. Payment of Retainers. The annual cash retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than 30 days following the end of each calendar quarter. In the event an Eligible Director does not serve as a director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, the retainer paid to such Eligible Director shall be prorated for the portion of such calendar quarter actually served as a director, or in such position, as applicable. With respect to each Affiliated Director, any such annual cash retainers shall, when payable, be paid to H.I.G. Capital, LLC.

2. Equity Compensation.

a. General. Eligible Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2019 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (such plan, as may be amended from time to time, the "***Equity Plan***") and may be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms approved by the Board prior to or in connection with such grants. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all grants of equity awards hereby are subject in all respects to the terms of the Equity Plan. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Equity Plan.

b. Initial Awards. Each Eligible Director who is initially elected or appointed to serve on the Board after the Effective Date automatically shall be granted a non-qualified stock option to purchase the number of shares of the Company's common stock as is equal to the Black-Scholes value of $200,000 on the grant date (rounded down to the nearest whole share) (the "***Initial Equity Award***"). The Initial Equity Award shall be granted on the date on which such Eligible Director is appointed or elected to serve on the Board, and shall vest as to 1/36th of the shares underlying the option on each monthly anniversary of the grant date, subject to such Eligible Director's continued service through the applicable vesting date, so that the option is fully vested on the third anniversary of the grant date, subject to such Eligible Director's continued service through the applicable vesting date.

c. Annual Awards. An Eligible Director who is serving on the Board as of the date of the annual meeting of the Company's stockholders (the "***Annual Meeting***") each calendar year beginning with calendar year 2026 shall be granted, on such Annual Meeting date, a non-qualified stock option to purchase the number of shares of the Company's common stock as is equal to the Black-Scholes value of $100,000 on the grant date (rounded down to the nearest whole share) (an "***Annual Award***" and together with the Initial Equity Award, the "***Director Equity Awards***"). Each Annual Award shall vest in full on the earlier to occur of (i) the one-year anniversary of the applicable grant date and (ii) the date of the next Annual Meeting following the grant date, subject to continued service through the applicable vesting date. No Eligible Director shall be entitled to receive the Initial Equity Award and the Annual Award in the same calendar year. In such instance, an Eligible Director shall receive the Initial Equity Award only.

d. Accelerated Vesting Events. Notwithstanding the foregoing, an Eligible Director's Director Equity Award(s) shall vest in full immediately prior to the occurrence of a Change in Control to the extent outstanding at such time.

e. Post-Termination Exercise Period. Except as may otherwise be provided in the applicable award agreement, any portion of a Director Equity Award other than the Initial Equity Award, which vests and becomes exercisable will remain vested and exercisable until the earlier of the maximum term of the option and the one-year anniversary of the Eligible Director's Termination of Service, unless such Termination of Service is for Cause.

3. Compensation Limits. Notwithstanding anything to the contrary in this Program, all compensation payable under this Program will be subject to any limits on the maximum amount of non-employee Director compensation set forth in the Equity Plan, as in effect from time to time.

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Exhibit 31.1

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: May 11, 2026

/s/ John Aballi

John Aballi

President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

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: May 11, 2026

/s/ Jeffrey G. Black

Jeffrey G. Black

Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 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 March 31, 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: May 11, 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 March 31, 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: May 11, 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.