

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): May 11, 2021

EXAGEN INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-39049
(Commission
File Number)

20-0434866
(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, include area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On May 11, 2021, Exagen Inc. (the “Company”) reported its financial results for the three months ended March 31, 2021. A copy of the press release issued by the Company is furnished as Exhibit 99.1 to this report.

The information furnished with Item 2.02 of this report, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filings under the Exchange Act or under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release dated May 11, 2021 |

SIGNATURES

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

EXAGEN INC.

Date: May 11, 2021

By: /s/ Kamal Adawi
Kamal Adawi
Chief Financial Officer



Exagen Inc. Reports First Quarter 2021 Results

Quarterly Records: AVISE® CTD Volumes, Ordering Healthcare Providers and Adopters

May 11, 2021

SAN DIEGO – Exagen Inc. (Nasdaq: XGN), a leading provider of autoimmune testing solutions, today reported financial results for the quarter ended March 31, 2021.

First Quarter Highlights:

- Generated total revenue of \$10.6 million for the quarter ended March 31, 2021.
- Delivered a record 29,029 flagship AVISE® CTD tests, including AVISE® Lupus, in the first quarter 2021.
- Record number of ordering healthcare providers totaling 1,763 in the first quarter, including a record 659 adopters, and sequential quarterly retention rate of approximately 99% among adopting healthcare providers from the prior quarter.
- Expanded sales force to 60 representatives to cover 63 territories as of March 31, 2021, and launched inside sales team to focus on covering white space and furthering our reach and frequency with rheumatologists.
- Completed follow-on public offering of common stock in March resulting in aggregate net proceeds to the company of \$64.7 million to focus on growth initiatives and working capital; total cash and cash equivalents were approximately \$118.1 million at quarter-end.

"We are very pleased with our continued performance in the first quarter of 2021. With our expanded sales force and over 67 million lives in-network, we continue to build on our momentum with March recognized as an all-time record volume month," said Ron Rocca, President and Chief Executive Officer of Exagen. "Throughout the quarter we continued to position Exagen as a leading autoimmune testing solutions company that places patient care first. With the additional capital raised in the first quarter, we are making further investments in our world-class R&D organization and focusing on new products that will improve patient care, improve efficiencies and build upon our already robust portfolio."

First Quarter 2021 Financial Results

Revenue for the three months ended March 31, 2021 was \$10.6 million, compared with \$9.6 million in the first quarter of 2020. Testing revenue was \$10.3 million for the first quarter of 2021, compared to \$9.6 million in the first quarter of 2020, due to increased testing volumes. Our SIMPONI® co-promotion

efforts contributed \$0.3 million in the first quarter of 2021, compared to no co-promotion revenue in the first quarter of 2020. Gross margin was 56% in the first quarter of 2021 compared to 53% in the first quarter of 2020, benefiting from an increase in SIMPONI® revenues and a decrease in royalty costs.

Operating expenses were \$16.2 million in the first quarter of 2021, compared with \$14.8 million in the first quarter of 2020, due to increases in employee related expenses from headcount growth, including stock-based compensation, and research and development expenses.

For the first quarter of 2021, net loss was \$6.2 million, compared to a net loss of \$5.6 million for the first quarter of 2020.

Cash and cash equivalents were approximately \$118.1 million as of March 31, 2021.

2021 Guidance

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

Conference Call

A conference call to review first quarter 2021 financial results and to provide a business update is scheduled for today May 11, 2021 at 4:30 PM Eastern Time (1:30 PM Pacific Time). Interested parties may access the conference call by dialing (877) 407-3982 (U.S.) or (201) 493-6780 (international). Additionally, a link to a live webcast of the call will be available in the Investor Relations section of Exagen's website at <http://investors.exagen.com>.

Participants are asked to join a few minutes prior to the call to register for the event. A replay of the conference call will be available until Tuesday, May 18, 2021 at 11:59 PM Eastern Time (8:59 PM Pacific Time). Interested parties may access the replay by dialing (844) 512-2921 (U.S.) or (412) 317-6671 (international) using passcode 13718936. A link to the replay of the webcast will also be available in the investor relations section of Exagen's website.

About Exagen

Exagen is dedicated to transforming the care continuum for patients suffering from debilitating and chronic autoimmune diseases by enabling timely differential diagnosis and optimizing therapeutic intervention. Exagen has developed and is commercializing a portfolio of innovative testing products under its AVISE® brand, several of which are based on our proprietary Cell-Bound Complement Activation Products, or CB-CAPs, technology. Exagen's goal is to enable providers to improve care for patients through the differential diagnosis, prognosis and monitoring of complex autoimmune and autoimmune-related diseases, including rheumatoid arthritis and lupus. For more information, please visit www.Exagen.com.

Forward Looking Statements

Exagen cautions you that statements contained in this press release regarding matters that are not historical facts are forward-looking statements. These statements are based on the company's current beliefs and expectations. Such forward-looking statements include, but are not limited to, statements regarding: the potential benefit of the company's testing products and promoted therapeutic for patients and physicians in autoimmune disease treatment; the expected impact and results of further investments in our business; the company's future potential growth in 2021; and the 2021 guidance. The inclusion of forward-looking statements should not be regarded as a representation by Exagen that any

of its plans will be achieved. Actual results may differ from those set forth in this press release due to the risks and uncertainties inherent in Exagen's business, including, without limitation: the COVID-19 pandemic may continue to adversely affect our business, financial condition and results of operations, including as a result of shutdowns of our facilities and operations as well as those of our suppliers and courier services, impeding patient movement and interruptions to healthcare services causing a decrease in test volumes, disruptions to the supply chain of material needed for our tests, our sales and commercialization activities and our ability to receive specimens and perform or deliver the results from our tests, delays in reimbursement and coverage decisions from Medicare and third-party payors and in interactions with regulatory authorities, and delays in ongoing and planned clinical trials involving our tests; the company's commercial success depends upon attaining and maintaining significant market acceptance of its testing products and promoted therapeutics among rheumatologists, patients, third-party payers and others in the medical community; the company's ability to successfully execute on its business strategy, including its promotion efforts for SIMPONI®; third party payers not providing coverage and adequate reimbursement for the company's testing products or promoted therapeutics; the company's ability to obtain and maintain intellectual property protection for its testing products; regulatory developments affecting the company's business; and other risks described in the company's prior press releases and the Company's filings with the Securities and Exchange Commission (SEC), including under the heading "Risk Factors" in the company's Annual Report on Form 10-K and any subsequent filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and Exagen undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

CONTACTS:

Investors

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Company

Exagen Inc.

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Exagen Inc.

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

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------|
| | 2021 | 2020 |
| | (Unaudited) | |
| Revenue | \$ 10,587 | \$ 9,584 |
| Operating expenses: | | |
| Costs of revenue | 4,711 | 4,545 |
| Selling, general and administrative expenses | 10,040 | 9,626 |
| Research and development expenses | 1,403 | 634 |
| Total operating expenses | 16,154 | 14,805 |
| Loss from operations | (5,567) | (5,221) |
| Interest expense | (645) | (631) |
| Other income, net | 3 | 171 |
| Loss before income taxes | (6,209) | (5,681) |
| Income tax benefit | — | 118 |
| Net loss | \$ (6,209) | \$ (5,563) |
| Net loss per share, basic and diluted | \$ (0.48) | \$ (0.44) |
| Weighted-average number of shares used to compute net loss per share, basic and diluted | 12,943,237 | 12,595,715 |

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

| | March 31, 2021 | December 31, 2020 |
|---|-----------------------|--------------------------|
| | (Unaudited) | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 118,050 | \$ 57,448 |
| Accounts receivable, net | 8,221 | 8,910 |
| Prepaid expenses and other current assets | 3,098 | 4,159 |
| Total current assets | 129,369 | 70,517 |
| Property and equipment, net | 2,378 | 2,102 |
| Goodwill | 5,506 | 5,506 |
| Other assets | 269 | 250 |
| Total assets | \$ 137,522 | \$ 78,375 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 2,170 | \$ 3,014 |
| Accrued and other current liabilities | 5,714 | 5,757 |
| Total current liabilities | 7,884 | 8,771 |
| Borrowings-non-current portion, net of discounts and debt issuance costs | 26,864 | 26,659 |
| Deferred tax liabilities | 158 | 158 |
| Other non-current liabilities | 1,146 | 948 |
| Total liabilities | 36,052 | 36,536 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.001 par value; 10,000,000 shares authorized, no shares issued or outstanding at March 31, 2021 and December 31, 2020 | — | — |
| Common stock, \$0.001 par value; 200,000,000 shares authorized at March 31, 2021 and December 31, 2020; 16,925,680 and 12,652,308 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively | 17 | 13 |
| Additional paid-in capital | 288,951 | 223,115 |
| Accumulated deficit | (187,498) | (181,289) |
| Total stockholders' equity | 101,470 | 41,839 |
| Total liabilities and stockholders' equity | \$ 137,522 | \$ 78,375 |