

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 September 30, 2024

OR

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

For the transition period from to

Commission File Number: 001-39659

BIODESIX, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

919 West Dillon Rd  
Louisville, Colorado

(Address of principal executive offices)

20-3986492

(I.R.S. Employer  
Identification No.)

80027

(Zip Code)

Registrant's telephone number, including area code: (303) 417-0500

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	BDSX	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 for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

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

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

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

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

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of October 25, 2024, the Registrant had 145,467,295 shares of common stock, \$0.001 par value per share, outstanding.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties, including but not limited to those set forth under the caption “Special Note Regarding Forward-Looking Statements” and Item 1A. “Risk Factors” of Part II of this Quarterly Report on Form 10-Q and those discussed in our other filings with the Securities and Exchange Commission (SEC), including the risks described in Item 1A. “Risk Factors” of Part I of our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on March 1, 2024. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future financial condition, results of operations, business strategy and plans, and objectives of management for future operations, as well as statements regarding industry trends, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “should,” “will” or the negative of these terms or other similar expressions.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, factors, and assumptions described under the section titled “Risk Factors” in this Report and in the section entitled “Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2023, regarding, among other things:

- our inability to achieve or sustain profitability;
- our unaudited financial statements include a statement that there is a substantial doubt about our ability to continue as a going concern, and a continuation of negative financial trends could result in our inability to continue as a going concern;
- our ability to attain significant market acceptance among payers, providers, clinics, patients, and biopharmaceutical companies for our diagnostic tests;
- difficulties managing our growth, which could disrupt our operations;
- failure to retain sales and marketing personnel, and failure to increase our sales and marketing capabilities or develop broad awareness of our diagnostic tests to generate revenue growth;
- failure to maintain our current relationships, or enter into new relationships, with biopharmaceutical companies;
- significant fluctuation in our operating results, causing our operating results to fall below expectations or any guidance we provide;
- product performance and reliability to maintain and grow our business;
- third-party suppliers, including courier services, contract manufacturers and single source suppliers, making us vulnerable to supply problems and price fluctuations;
- the impact of a pandemic, epidemic, or outbreak of an infectious disease in the United States (U.S.) or worldwide, including the COVID-19 pandemic on our business;
- natural or man-made disasters and other similar events negatively impacting our business, financial condition, and results of operations;
- failure to offer high-quality support for our diagnostic tests, which may adversely affect our relationships with providers and negatively impact our reputation among patients and providers;
- our inability to continue to innovate and improve our diagnostic tests and services we offer;
- security or data privacy breaches or other unauthorized or improper access;
- significant disruptions in our information technology systems;
- the incurrence of substantial liabilities and limiting or halting the marketing and sale of our diagnostic tests due to product liability lawsuits;
- our inability to compete successfully with competition from many sources, including larger companies;
- performance issues, service interruptions or price increases by our shipping carriers;
- cost-containment efforts of our customers, purchasing groups and integrated delivery networks having a material adverse effect on our sales and profitability;
- potential effects of litigation and other proceedings;

- general economic and financial market conditions;
- our ability to attract and retain key personnel;
- current and future debt financing placing restrictions on our operating and financial flexibility;
- our need to raise additional capital to fund our existing operations, develop our platform, commercialize new diagnostic tests, or expand our operations;
- the acquisition of other businesses, which could require significant management attention;
- the uncertainty of the insurance coverage and reimbursement status of newly approved diagnostic tests;
- future healthcare reform measures that could hinder or prevent the commercial success of our diagnostic tests;
- compliance with anti-corruption, anti-bribery, anti-money laundering and similar laws;
- compliance with healthcare fraud and abuse laws;
- our ability to develop, receive regulatory clearance or approval or certification for, and introduce new diagnostic tests or enhancements to existing diagnostic tests that will be accepted by the market in a timely manner;
- failure to comply with ongoing FDA or other domestic and foreign regulatory authority requirements, or unanticipated problems with our diagnostic tests, causing them to be subject to restrictions or withdrawal from the market;
- future product recalls;
- legal proceedings initiated by third parties alleging that we are infringing, misappropriating, or otherwise violating their intellectual property rights, the outcome of which would be uncertain;
- the volatility of the trading price of our common stock;
- inaccurate estimates or judgments relating to our critical accounting policies, which could cause our operating results to fall below the expectations of securities analysts and investors; and
- other risks, uncertainties and factors, including those set forth under "Risk Factors".

These risks are not exhaustive. Other sections of this Quarterly Report on Form 10-Q may include additional factors that could harm our business and financial performance. New risk factors may emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q or to conform these statements to actual results or to changes in our expectations.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference and have filed as exhibits with the understanding that our actual future results, levels of activity, performance and achievements may be different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

**PART I—FINANCIAL INFORMATION**

**Item 1. Financial Statements (Unaudited).**

**BIODESIX, INC.**

**Condensed Balance Sheets  
(in thousands, except share data)**

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 31,406	\$ 26,284
Accounts receivable, net of allowance for credit losses of \$246 and \$65	8,036	7,679
Other current assets	4,575	5,720
Total current assets	<u>44,017</u>	<u>39,683</u>
<b>Non-current assets</b>		
Property and equipment, net	28,683	27,867
Intangible assets, net	6,438	7,911
Operating lease right-of-use assets	1,918	1,745
Goodwill	15,031	15,031
Other long-term assets	6,656	6,859
Total non-current assets	<u>58,726</u>	<u>59,413</u>
Total assets	<u>\$ 102,743</u>	<u>\$ 99,096</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,537	\$ 2,929
Accrued liabilities	8,553	7,710
Deferred revenue	676	324
Current portion of operating lease liabilities	624	252
Current portion of contingent consideration	—	21,857
Current portion of notes payable	29	51
Other current liabilities	544	293
Total current liabilities	<u>12,963</u>	<u>33,416</u>
<b>Non-current liabilities</b>		
Long-term notes payable, net of current portion	36,112	35,225
Long-term operating lease liabilities	25,191	25,163
Other long-term liabilities	620	712
Total non-current liabilities	<u>61,923</u>	<u>61,100</u>
Total liabilities	<u>74,886</u>	<u>94,516</u>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value, 5,000,000 authorized; 0 (2024 and 2023) issued and outstanding	—	—
Common stock, \$0.001 par value, 200,000,000 authorized; 145,465,941 (2024) and 96,235,883 (2023) shares issued and outstanding	145	96
Additional paid-in capital	481,958	424,050
Accumulated deficit	<u>(454,246)</u>	<u>(419,566)</u>
Total stockholders' equity	<u>27,857</u>	<u>4,580</u>
Total liabilities and stockholders' equity	<u>\$ 102,743</u>	<u>\$ 99,096</u>

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

**BIODESIX, INC.**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues	\$ 18,151	\$ 13,491	\$ 50,894	\$ 34,419
Operating expenses:				
Direct costs and expenses	4,179	3,229	11,231	9,636
Research and development	2,547	1,938	7,145	8,099
Sales, marketing, general and administrative	20,016	15,496	60,232	51,136
Impairment loss on intangible assets	—	—	135	20
Total operating expenses	26,742	20,663	78,743	68,891
Loss from operations	(8,591)	(7,172)	(27,849)	(34,472)
Other (expense) income:				
Interest expense	(2,041)	(2,386)	(6,506)	(7,207)
Loss on extinguishment of liabilities	—	—	(248)	—
Change in fair value of warrant liability, net	—	(1,393)	—	(1,332)
Other income (expense), net	374	2	(77)	4
Total other expense	(1,667)	(3,777)	(6,831)	(8,535)
Net loss	\$ (10,258)	\$ (10,949)	\$ (34,680)	\$ (43,007)
Net loss per share, basic and diluted	\$ (0.07)	\$ (0.14)	\$ (0.28)	\$ (0.55)
Weighted-average shares outstanding, basic and diluted	146,296	79,709	123,634	78,672

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

**BIODESIX, INC.**

**Condensed Statements of Stockholders' Equity (Deficit)**  
(in thousands)

	Common Stock		Additional Paid-In Capital	Accumulat ed Deficit	Total Stockholders ' Equity (Deficit)
	Shares	Amount			
<b>Balance - December 31, 2023</b>	96,236	\$ 96	\$ 424,050	\$ (419,566)	\$ 4,580
Issuance of common stock, net	314	1	606	—	607
Issuance of common stock under employee stock purchase plan	216	—	282	—	282
Exercise of stock options	6	—	3	—	3
Release of restricted stock units	387	—	—	—	—
Share-based compensation	—	—	2,640	—	2,640
Net loss	—	—	—	(13,614)	(13,614)
<b>Balance - March 31, 2024</b>	97,159	97	427,581	(433,180)	(5,502)
Conversion of preferred stock liabilities to common stock, net	30,435	31	33,119	—	33,150
Issuance of common stock, net	17,392	17	18,181	—	18,198
Exercise of stock options	8	—	4	—	4
Release of restricted stock units	156	—	—	—	—
Share-based compensation	—	—	1,218	—	1,218
Net loss	—	—	—	(10,808)	(10,808)
<b>Balance - June 30, 2024</b>	145,150	145	480,103	(443,988)	36,260
Issuance of common stock, net	—	—	(15)	—	(15)
Issuance of common stock under employee stock purchase plan	255	—	343	—	343
Exercise of stock options	13	—	12	—	12
Release of restricted stock units	48	—	—	—	—
Share-based compensation	—	—	1,515	—	1,515
Net loss	—	—	—	(10,258)	(10,258)
<b>Balance - September 30, 2024</b>	145,466	\$ 145	\$ 481,958	\$ (454,246)	\$ 27,857

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

	Common Stock		Additional Paid-In Capital	Accumulat ed Deficit	Total Stockholders ' (Deficit) Equity
	Shares	Amount			
<b>Balance - December 31, 2022</b>	77,614	\$ 78	\$ 387,948	\$ (367,420)	\$ 20,606
Issuance of common stock, net	—	—	(61)	—	(61)
Issuance of common stock under employee stock purchase plan	270	—	420	—	420
Exercise of stock options	9	—	6	—	6
Release of restricted stock units	86	—	—	—	—
Share-based compensation	—	—	2,281	—	2,281
Net loss	—	—	—	(18,702)	(18,702)
<b>Balance - March 31, 2023</b>	77,979	78	390,594	(386,122)	4,550
Exercise of stock options	107	—	81	—	81
Release of restricted stock units	525	1	—	—	1
Issuance of warrants	—	—	674	—	674
Share-based compensation	—	—	1,057	—	1,057
Net loss	—	—	—	(13,356)	(13,356)
<b>Balance - June 30, 2023</b>	78,611	79	392,406	(399,478)	(6,993)
Issuance of common stock, net	9,455	9	15,307	—	15,316
Issuance of common stock under employee stock purchase plan	167	—	223	—	223
Exercise of stock options	6	—	3	—	3
Release of restricted stock units	77	—	—	—	—
Share-based compensation	—	—	954	—	954
Net loss	—	—	—	(10,949)	(10,949)
<b>Balance - September 30, 2023</b>	88,316	\$ 88	\$ 408,893	\$ (410,427)	\$ (1,446)

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



**BIODESIX, INC.**

**Condensed Statements of Cash Flows**  
(in thousands)

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (34,680)	\$ (43,007)
Adjustments to reconcile net loss to net cash, cash equivalents, and restricted cash used in operating activities		
Depreciation and amortization	4,324	2,351
(Accretion) amortization of lease right-of-use assets	(266)	1,851
Loss on extinguishment of liabilities	248	—
Share-based compensation expense	5,373	4,292
Change in fair value of warrant liability, net	—	1,332
Provision for doubtful accounts	453	467
Accrued interest, amortization of debt issuance costs and other	2,167	3,954
Inventory excess and obsolescence	20	115
Impairment loss on intangible assets	135	20
Changes in operating assets and liabilities:		
Accounts receivable	(810)	(1,178)
Other current assets	778	1,798
Other long-term assets	49	(26)
Accounts payable and other accrued liabilities	(57)	(247)
Deferred revenue	273	(395)
Contingent consideration	(23,242)	—
Tenant improvement allowances received	—	18,323
Current and long-term operating lease liabilities	682	(237)
Net cash and cash equivalents and restricted cash used in operating activities	<u>(44,553)</u>	<u>(10,587)</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(2,391)	(19,935)
Patent costs and intangible asset acquisition, net	(165)	(126)
Net cash and cash equivalents and restricted cash used in investing activities	<u>(2,556)</u>	<u>(20,061)</u>
<b>Cash flows from financing activities</b>		
Proceeds from the issuance of common stock	55,625	15,316
Proceeds from issuance of common stock under employee stock purchase plan	624	643
Proceeds from exercise of stock options	19	90
Payment of contingent consideration	—	(7,591)
Repayment of term loan and notes payable	(38)	(36)
Payment of debt issuance costs	(38)	(833)
Equity financing costs	(3,685)	(61)
Other	(276)	(127)
Net cash and cash equivalents and restricted cash provided by financing activities	<u>52,231</u>	<u>7,401</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	5,122	(23,247)
Cash, cash equivalents, and restricted cash - beginning of period	26,371	43,174
Cash, cash equivalents, and restricted cash - end of period	<u>\$ 31,493</u>	<u>\$ 19,927</u>

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

**BIODESIX, INC.**

**Statements of Cash Flows**  
**(in thousands)**

(Continued from the previous page)

**Supplemental cash flow information:**

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Issuance of Perceptive Warrants	\$ —	\$ 674
Operating lease right-of-use asset obtained in exchange for lease liabilities	281	867
Finance lease right-of-use assets obtained in exchange for lease liabilities	514	773
Cash paid for interest	4,443	3,241
Purchases of property & equipment included in accounts payable and accrued liabilities	526	824

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

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

#### Note 1 – Organization and Description of Business

Biodesix, Inc. (the “Company,” “Biodesix,” “we,” “us” and “our”), formerly Elston Technologies, Inc., was incorporated in Delaware in 2005. The Company’s headquarters are in Colorado and the Company performs its blood-based diagnostic tests in its laboratory facilities which are located in Louisville, Colorado and De Soto, Kansas. The Company conducts all of its operations within a single legal entity. Biodesix is a leading diagnostic solutions company with a focus in lung disease. The Company develops diagnostic tests using a multi-omic approach to harness the strengths of different technologies that are best suited to address important clinical questions. We derive our revenue from two sources: (i) providing diagnostic testing services associated with five blood-based lung tests (Diagnostic Tests) and (ii) providing biopharmaceutical companies with services that include diagnostic research, clinical research, development and testing services generally provided outside the clinical setting and governed by individual contracts with third parties as well as development and commercialization of companion diagnostics. We also recognize revenue from other services, including amounts derived from licensing our technologies (Biopharmaceutical Services and other).

#### Blood-Based Lung Tests

The Company offers five Medicare-covered blood-based lung cancer tests across the lung cancer continuum of care to support treatment decisions across all stages of lung cancer:

##### Diagnosis

- *Nodify CDT*® and *Nodify XL2*® tests, marketed as Nodify Lung® Nodule Risk Assessment, assess a suspicious lung nodule's risk of lung cancer to help identify the most appropriate treatment pathway. The Nodify CDT and XL2 tests have an established average turnaround time of one and five business days, respectively, from receipt of the blood sample, providing physicians with timely results to guide diagnostic planning. The Nodify CDT test is a blood-based test that detects the presence of seven autoantibodies associated with the presence of tumors. Elevated levels of the autoantibodies in patients with lung nodules indicate an increased risk of lung cancer to help identify patients that may benefit from timely intervention. The Nodify XL2 test is a blood-based proteomic test that evaluates the likelihood that a lung nodule is benign to help identify patients that may benefit from surveillance imaging. We believe we are the only company to offer two commercial blood-based tests to help physicians reclassify risk of malignancy in patients with suspicious lung nodules.

##### Treatment & Monitoring

- *GeneStrat*® ddPCR, *GeneStrat NGS*® and *VeriStrat*® tests, marketed as part of our IQLung™ testing strategy, are used following diagnosis of lung cancer to detect the presence of mutations in the tumor and the state of the patient’s immune system to help guide treatment decisions. The GeneStrat ddPCR tumor genomic profiling test and the VeriStrat immune profiling test have established an average turnaround time of two business days from receipt of the blood sample, and the GeneStrat NGS test has an established average turnaround time of three business days from receipt of the blood sample, providing physicians with timely results to facilitate treatment decisions. The GeneStrat ddPCR test evaluates the presence of actionable mutations in lung cancer. The test is covered independent of stage and can be used multiple times per patient to monitor changes in mutation status. The GeneStrat NGS test is a broad 52 gene panel, including guideline recommended mutations that help identify advanced stage patients eligible for targeted therapy or clinical trial enrollment. The VeriStrat test is a blood-based proteomic test that provides a personalized view of each patient’s immune response to their lung cancer.

In developing the Company's products, we have developed or designed a regulatory strategy resulting in approvals, product development and clinical acumen, biorepositories, proprietary and patented technologies, specimen collection kit manufacturing capabilities, and bioinformatics methods that it believes are important to the development of new targeted therapies, determining clinical trial eligibility, and guiding treatment selection. The Company’s testing services are made available through its clinical laboratories.

#### Note 2 – Summary of Significant Accounting Policies

##### *Basis of Presentation*

The accompanying unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information and reflect all adjustments necessary to state fairly the Company’s financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. Results for interim periods are not indicative of the results for the entire fiscal year. The accompanying unaudited condensed financial statements should be read in conjunction with the audited financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. Certain information and footnote disclosures, including significant accounting policies, normally included in fiscal year financial statements prepared in accordance with accounting principles generally accepted in

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

the U.S. (GAAP) have been condensed or omitted. The condensed balance sheet as of December 31, 2023 was derived from the audited financial statements.

#### ***Liquidity and Capital Resources***

As of September 30, 2024, we maintained cash and cash equivalents of \$31.4 million and we have \$40.0 million in outstanding aggregate principal amount on our Perceptive Term Loan Facility (see Note 6 – *Debt*). We have incurred significant losses since inception and, as a result, we have funded our operations to date primarily through the sale of common stock, the sale of convertible preferred stock, the issuance of notes payable, and from our two primary revenue sources: (i) diagnostic testing, which includes lung diagnostic testing and (ii) providing biopharmaceutical companies with development and testing services and licensing our technologies. In accordance with Accounting Standards Update 2014-15 (ASC Topic 205-40), *Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern each reporting period, including interim periods. In evaluating the Company's ability to continue as a going concern, management projected its cash flow sources and evaluated the conditions and events that could raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements were issued. Management considered the Company's current projections of future cash flows, our ability to execute our current operating plan, current financial condition, sources of liquidity and debt obligations for at least one year from the date of issuance of this Form 10-Q in considering whether it has the ability to meet its obligations.

Our ability to meet our obligations as they come due may be impacted by our ability to remain compliant with financial covenants in our Perceptive Term Loan Facility (see Note 6 – *Debt*) or to obtain waivers or amendments that impact the related covenants. As of September 30, 2024, the Company was in compliance with all restrictive and financial covenants associated with its borrowings.

Our ability to maintain our financial covenants under our Perceptive Term Loan Facility during the next twelve months is, in part, dependent upon executing our current operating plan. If we do not execute our current operating plan and maintain our financial covenants, this could result in an Event of Default (as defined in the Perceptive Term Loan Facility), causing an acceleration and repayment of the outstanding balances. The Perceptive Term Loan Facility requires the Company to meet certain minimum net revenue threshold amounts agreed to between the Company and Perceptive as of the last day of each fiscal quarter, which commenced with the fiscal quarter ending March 31, 2023. During 2023, the Company entered into various amendments to the Perceptive Term Loan Facility to reduce the relevant Minimum Net Revenue thresholds. On February 29, 2024, the Company entered into a third amendment to the Perceptive Term Loan Facility, whereby, subject to the terms and conditions of the third amendment, the Minimum Net Revenue Covenant was amended to reduce the relevant threshold through the fiscal quarter ended December 31, 2025 (see Note 6 – *Debt*). During the three months ended June 30, 2024, the Company completed an underwritten offering of common stock and a concurrent private placement (the April 2024 Offering). Collectively, the Company raised net proceeds of approximately \$51.3 million (see Note 8 – *Equity*). We have taken steps to improve our liquidity through raising debt and equity capital and have also undertaken several proactive measures including, among other things, the reduction of planned capital expenditures and certain operating expenses as previously disclosed. If we do not execute our current operating plan, we may need to consider further measures to reduce our operating expenses. These measures would limit or reduce our operations and could include a hiring freeze, reductions in our workforce, reduction in cash compensation, deferring capital expenditures, and reducing other operating costs.

If we do not execute our current operating plan we may need to continue to raise additional funds from external sources, such as through the issuance of debt or equity securities. We may also raise additional capital to restructure our existing debt or for general working capital purposes, or both. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we do raise additional capital through equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our existing stockholders' rights. There can be no assurance that additional capital will be available to us or, if available, will be available in sufficient amounts or on terms acceptable to us or on a timely basis.

We expect to continue to incur operating losses in the near term while we make investments to support our anticipated growth. Our ability to maintain our financial covenants is, in part, dependent upon executing our current operating plan and, along with the items noted above, raises substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are issued. Our unaudited financial statements have been prepared assuming we will continue as a going concern and do not include any adjustments that might be necessary should we be unable to continue as a going concern.

#### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

#### **Concentrations of Credit Risk and Other Uncertainties**

Substantially all of the Company's cash and cash equivalents are deposited with one major financial institution in the United States. The Company continually monitors its positions with, and the credit quality of, the financial institution with which it holds cash. Periodically throughout the year, the Company has maintained balances in various operating and money market accounts in excess of federally insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents.

Several of the components for certain of the Company's sample collection kits, test reagents, and test systems are obtained from single-source suppliers. If these single-source suppliers fail to satisfy the Company's requirements on a timely basis, the Company could suffer delays in being able to deliver its diagnostic solutions, a possible loss of revenue, or incur higher costs, any of which could adversely affect its operating results.

For a discussion of credit risk concentration of accounts receivable as of September 30, 2024 and December 31, 2023, see Note 9 – *Revenue and Accounts Receivable Credit Concentration*.

#### **Restricted Cash**

Restricted cash consists of deposits related to the Company's corporate credit card. For both of the periods ended September 30, 2024 and December 31, 2023, the Company had \$0.1 million restricted cash, respectively, which was included in 'Other current assets' in the accompanying condensed balance sheets.

#### **Inventory**

Inventory consists primarily of material supplies, which are consumed in the performance of testing services and charged to 'Direct costs and expenses'. Inventory is stated at cost and reported within 'Other current assets' in the condensed balance sheets and was \$1.2 million and \$1.4 million as of September 30, 2024 and December 31, 2023, respectively. The Company recorded a reserve for excess inventory of zero and \$0.1 million as of September 30, 2024 and December 31, 2023, respectively. During the nine months ended September 30, 2024 and 2023, the Company recorded an insignificant amount and \$0.1 million, respectively, to the condensed statements of operations for excess and obsolete inventory.

#### **Other Assets**

The Company has a \$5.0 million cash refundable deposit to secure the performance of the Company's obligations associated with the operating lease agreement with Centennial Valley Properties I, LLC and subsequently assigned to CVP I Owner LLC (see Note 7 – *Leases*). As of September 30, 2024 and December 31, 2023, the \$5.0 million refundable deposit is reported within 'Other long-term assets' in the condensed balance sheets.

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

U.S. GAAP for fair value establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). We utilize a combination of market and income approaches to value our financial instruments. Our financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. Fair value measurements are categorized within the fair value hierarchy based upon the lowest level of the most significant inputs used to determine fair value.

The three levels of the hierarchy and the related inputs are as follows:

<b>Level</b>	<b>Inputs</b>
1	Unadjusted quoted prices in active markets for identical assets and liabilities.
2	Unadjusted quoted prices in active markets for similar assets and liabilities; Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active; or Inputs other than quoted prices that are observable for the asset or liability.
3	Unobservable inputs for the asset or liability.

The carrying amounts of certain financial instruments including cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, other long-term assets, accounts payable and accrued liabilities approximate fair value due to their relatively short maturities.

See Note 4 — *Fair Value* for further discussion related to estimated fair value measurements.

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

**Note 3 - Recently Issued Accounting Standards**

**Standards Being Evaluated**

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting: Improvements to Reportable Segment Disclosures* (ASC Topic 280). This ASU requires all public entities to provide additional disclosures about the entity's reportable segments and more detailed information about a reportable segment's expenses. This guidance will become effective for the Company for the annual period beginning on January 1, 2024, and interim periods beginning on January 1, 2025. The Company is currently evaluating this guidance and assessing the overall impact on its financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the rate reconciliation and income taxes paid by jurisdiction. This guidance will become effective for the Company beginning January 1, 2025, with early adoption permitted. The Company is currently evaluating this guidance and assessing the overall impact on its financial statements.

**Note 4 - Fair Value**

**Recurring Fair Value Measurements**

Our borrowing instruments are recorded at their carrying values in the condensed balance sheets, which may differ from their respective fair values. The fair value of borrowings as of September 30, 2024 is primarily associated with the Perceptive Term Loan Facility entered into with Perceptive Credit Holdings IV, LP, in November 2022 and was determined using a discounted cash flow analysis, excluding the fair value of the Perceptive Warrant (as defined below) issued in conjunction with the transaction. The carrying value of outstanding borrowings approximates the fair value as of September 30, 2024 and December 31, 2023. The table below presents the carrying and fair values of outstanding borrowings, which are classified as Level 2, as of the dates indicated (in thousands):

	As of			
	September 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Borrowings	\$ 36,141	\$ 36,550	\$ 35,276	\$ 35,506

The financial liabilities that are measured and recorded at estimated fair value on a recurring basis consist of our contingent consideration associated with our previous acquisition of Indi, the warrant liabilities granted as consideration for the Perceptive Term Loan Facility (see Note 6 - *Debt*), and contingent value rights granted to certain holders of our previously converted Series F Preferred Stock, which were accounted for as liabilities and remeasured through our condensed statements of operations.

The table below presents the reported fair values of contingent consideration and warrant liabilities, which are classified as Level 3 in the fair value hierarchy, as of the dates indicated (in thousands):

Description	As of	
	September 30, 2024	December 31, 2023
Contingent consideration	\$ —	\$ 21,857
Warrant liabilities	\$ —	\$ —
Contingent value rights	\$ —	\$ —

The following table presents the changes in contingent consideration for the dates indicated (in thousands):

Level 3 Rollforward	For the nine months ended September 30, 2024	
	Contingent Consideration	
Balance - January 1, 2024	\$	21,857
Interest expense		1,137
Loss on extinguishment of liabilities		248
Payments		(23,242)
Balance - September 30, 2024	\$	—

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

The following table presents the changes in contingent consideration and warrant liabilities for the dates indicated (in thousands):

<b>Level 3 Rollforward</b>	<b>For the nine months ended September 30, 2023</b>	
	<b>Contingent Consideration</b>	<b>Warrant Liabilities</b>
<b>Beginning balances - January 1, 2023</b>	\$ 28,986	\$ 61
Changes in fair value, net	—	1,332
Interest expense	3,094	—
Payments	(7,591)	—
<b>Ending balances - September 30, 2023</b>	<b>\$ 24,489</b>	<b>\$ 1,393</b>

***Contingent Consideration***

In connection with the acquisition of Indi in 2018, the Company recorded contingent consideration for amounts contingently payable to Indi's selling shareholders pursuant to the terms of the asset purchase agreement (the Indi APA). The contingent consideration arrangement requires additional consideration to be paid by the Company to such shareholders upon attainment of a three-consecutive month gross margin target of \$2.0 million within the seven-year period after the acquisition date, which was achieved during the three months ended June 30, 2021. Under the terms of the original agreement, when the gross margin target was achieved, the Company was required to issue 2,520,108 shares of common stock. For the six months following the achievement of the gross margin target, Indi had the option to require the Company to redeem these common shares for \$37.0 million in cash over eight equal quarterly installments. If Indi elected to not exercise its option, the Company had 12 months to repurchase the common stock in two equal and consecutive quarterly cash installments totaling \$37.0 million.

In August 2021, the Company entered into an amendment to the original agreement in which all parties agreed to forgo the issuance of common stock and agreed that the Company would, in lieu thereof, make six quarterly installments of approximately \$4.6 million each beginning in January 2022 and a final payment of approximately \$9.3 million in July 2023 for a total of \$37.0 million (the Milestone Payments and each individually a Milestone Payment). The aggregate amount of payments owed by the Company under this amendment is the same as if Indi had exercised the put right or the Company had exercised the call right provided for in the original agreement.

On April 7, 2022, the Company entered into Amendment No. 3 to the Indi APA, in which the parties agreed to restructure the Milestone Payments. The Company made five quarterly installments of \$2.0 million each beginning in April 2022, three quarterly installments of \$3.0 million which began in July 2023, one installment of \$5.0 million in April 2024, and one installment of \$8.4 million in July 2024. In addition, the Company agreed to an exit fee of approximately \$6.1 million to be paid in October 2024. Interest shall accrue on the difference between the payment schedule as agreed in the August 2021 amendment and the April 2022 amended payment schedule, at an aggregate per annum rate equal to 10%, with such interest to be payable quarterly on the following installment payment date. Our ability to make these payments was subject to ongoing compliance under the Perceptive Term Loan Facility. On September 30, 2024, the Company obtained consent from Perceptive and prepaid the October 1, 2024 exit fee of \$6.1 million to Indi.

The contingent consideration liability was accounted for at fair value and subject to certain unobservable inputs. The significant unobservable inputs used in the measurement of the fair value included the probability of successful achievement of the specified product gross margin targets, the period in which the targets were expected to be achieved, and discount rates which ranged from 11% to 16%. As a result of the achievement of the gross margin target, the only remaining significant unobservable input used in the measurement of fair value included the discount rate since all other inputs became fixed and determinable. Subsequent changes to the contingent consideration following the achievement of the gross margin target were recorded as 'Interest expense' in the condensed statements of operations resulting from the passage of time and fixed payment schedule.

During the three and nine months ended September 30, 2024, the Company recorded \$0.2 million and \$1.1 million, respectively, compared to \$1.0 million and \$3.1 million during the three and nine months ended September 30, 2023, respectively, in interest expense due to the passage of time and fixed payment schedule.

In accordance with ASC 230, *Statement of Cash Flows*, cash paid to settle the contingent consideration liability recognized at fair value as of the acquisition date (including measurement-period adjustments) should be reflected as a cash outflow for financing activities while the remaining portion of the amount paid should be reflected as a cash outflow from operating activities in the statements of cash flows. All 2024 Milestone Payments are classified as cash outflows from operating activities in the Company's statements of cash flows.

***Warrant Liabilities***

On November 21, 2022, as consideration for the Perceptive Term Loan Facility (see Note 6 - *Debt*), the Company issued Perceptive a warrant to purchase up to 5,000,000 shares of the Company's common stock (the Perceptive Warrant), including Initial Warrants (as

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

defined in Note 8 - *Equity* below) and Tranche B and C Warrants. The Initial Warrants are equity classified (see Note 8 - *Equity*) while the Tranche B and C Warrants were initially classified as liabilities and recognized at fair value. On December 15, 2023 (the Tranche B Borrowing Date), the Company exercised its ability to draw the Tranche B loan (see Note 6 - *Debt*). In connection with the Tranche B draw, the Company remeasured the Tranche B Warrants through the Tranche B Borrowing Date and recorded the change in fair value through the statements of operations and, subsequently, reclassified the fair value to additional paid-in capital (see Note 8 - *Equity*). The fair value of the Tranche C Warrants was determined using a Black-Scholes model and subject to certain unobservable inputs. The significant unobservable inputs used in the measurement of the fair value included the fair value of the Company's common stock, risk-free rate, the volatility of common stock, and the probability of the expected borrowing. The Tranche C loan had a commitment date through September 30, 2024 and, as of that date, the Company did not exercise its ability to draw the Tranche C loan. Therefore, the associated Tranche C Warrants expired and are no longer exercisable.

During the three and nine months ended September 30, 2024, the Company recorded zero as a change in fair value through the condensed statements of operations. During the three and nine months ended September 30, 2023, the Company recorded a \$1.4 million and \$1.3 million loss, respectively, as a change in fair value through the condensed statements of operations due to changes in unobservable inputs. This is a result of changes in the probability of our ability to draw on Tranche B and C loans.

#### **Contingent Value Rights**

In January 2016, the Company issued shares of Series F Preferred Stock (the Series F Offering) that were subsequently converted into common stock in connection with the Company's initial public offering in October 2020. In connection with the Series F Offering, investors who purchased more than their pro-rata amount in the financing received a calculated number of contingent value rights (CVRs). One CVR represents 0.00375% of the Company's interest in the drug ficlatuzumab, which began a Phase 3 clinical trial in January 2024 (see Note 13 - *Commitments and Contingencies* below). In January 2016, the Company issued 3,999 CVRs, or 15% interest in the drug ficlatuzumab, originally valued at \$0.5 million. The initial estimated value of the CVRs were recorded as a liability and as a reduction to the Series F proceeds. Subsequent to recoupment of our initial co-development costs, upon receipt of a milestone, royalty, or any other type of payment from the Company's ownership rights in the drug, the Company is required to make a cash payment to the CVR holders equal to 15% of net proceeds, as defined. During the three and nine months ended September 30, 2024 and 2023, the Company recorded zero as a change in fair value through the condensed statements of operations due to the probability of receiving net proceeds in excess of our initial co-development costs.

#### **Note 5 – Supplementary Balance Sheet Information**

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

	As of	
	September 30, 2024	December 31, 2023
Lab equipment	\$ 5,877	\$ 6,089
Leasehold improvements	28,165	24,713
Computer equipment	1,307	1,221
Furniture and fixtures	1,073	1,034
Software	325	325
Vehicles	97	97
Construction in process	88	—
	36,932	33,479
Less accumulated depreciation	(8,249)	(5,612)
Total property and equipment, net	\$ 28,683	\$ 27,867

Depreciation expense for the three and nine months ended September 30, 2024 was \$1.0 million and \$2.8 million, respectively, compared to \$0.3 million and \$0.9 million for the three and nine months ended September 30, 2023, respectively.



**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

Intangible assets, excluding goodwill, consist of the following (in thousands):

	September 30, 2024			December 31, 2023		
	Cost	Accumulated Amortization	Net Carrying Value	Cost	Accumulate d Amortizatio n	Net Carrying Value
Intangible assets subject to amortization						
Patents	\$ 2,000	\$ (843)	\$ 1,157	\$ 1,975	\$ (752)	\$ 1,223
Purchased technology	16,900	(11,736)	5,164	16,900	(10,328)	6,572
Intangible assets not subject to amortization						
Trademarks	117	—	117	116	—	116
Total	<u>\$ 19,017</u>	<u>\$ (12,579)</u>	<u>\$ 6,438</u>	<u>\$ 18,991</u>	<u>\$ (11,080)</u>	<u>\$ 7,911</u>

Amortization expense related to definite-lived intangible assets was \$0.5 million and \$1.5 million for both the three and nine months ended September 30, 2024 and 2023, respectively.

Future estimated amortization expense of intangible assets is (in thousands):

	As of September 30, 2024
Remainder of 2024	\$ 501
2025	2,000
2026	1,979
2027	1,021
2028	73
2029 and thereafter	747
Total	<u>\$ 6,321</u>

Accrued liabilities consist of the following (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Compensation related accruals	\$ 4,958	\$ 3,855
Accrued clinical trial expense	940	983
Other expenses	2,655	2,872
Total accrued liabilities	<u>\$ 8,553</u>	<u>\$ 7,710</u>

**Note 6 – Debt**

Our long-term debt primarily consists of notes payable associated with our Perceptive Term Loan Facility which is described in further detail below. Long-term notes payable were as follows (in thousands):

	As of	
	September 30, 2024	December 31, 2023
Perceptive Term Loan Facility	\$ 40,000	\$ 40,000
Other	40	78
Unamortized debt discount and debt issuance costs	(3,899)	(4,802)
	36,141	35,276
Less: current maturities	29	51
Long-term notes payable	<u>\$ 36,112</u>	<u>\$ 35,225</u>

**Perceptive Term Loan Facility**

On November 16, 2022 (the Closing Date), the Company entered into a Credit Agreement and Guaranty (the Credit Agreement) with Perceptive Credit Holdings IV, LP as lender and administrative agent (the Lender). The Credit Agreement provides for a senior secured delayed draw term loan facility with Perceptive Advisors LLC (Perceptive) (the Perceptive Term Loan Facility). The Tranche A Loan,

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

in an aggregate amount of up to \$30.0 million (the Tranche A Loan), was funded under the Perceptive Term Loan Facility on November 21, 2022 (the Funding Date). The Company's net proceeds from the Tranche A Loan were approximately \$27.9 million, after deducting debt issuance costs and expenses. In addition to the Tranche A Loan, the Perceptive Term Loan Facility included an additional Tranche B Loan, in an aggregate amount of up to \$10.0 million, and an additional Tranche C Loan, in an aggregate amount of up to \$10.0 million, which were accessible by the Company so long as the Company satisfied certain customary conditions precedent, including revenue milestones. On December 15, 2023, the Company exercised its ability to draw the Tranche B loan for \$10.0 million. The Tranche C loan had a commitment date through September 30, 2024 and, as of that date, the Company did not exercise its ability to draw the Tranche C loan. The Perceptive Term Loan Facility has a maturity date of November 21, 2027 (the Maturity Date) and provides for an interest-only period during the term of the loan with principal due at the Maturity Date.

#### ***Interest Rate***

The Perceptive Term Loan Facility will accrue interest at an annual rate equal to the greater of (a) forward-looking one-month term SOFR as posted by CME Group Inc. and (b) 3.0% per annum, plus an applicable margin of 9.0%. As of September 30, 2024, the stated interest rate was approximately 13.9%.

#### ***Amortization and Prepayment***

On the Maturity Date, the Company is required to pay the Lender the aggregate outstanding principal amount underlying the Perceptive Term Loan Facility and any accrued and unpaid interest thereon. Prior to the Maturity Date, there will be no scheduled principal payments under the Perceptive Term Loan Facility. The Perceptive Term Loan Facility may be prepaid at any time, subject to a prepayment premium equal to 2% to 10% of the aggregate outstanding principal amount being prepaid, depending on the date of prepayment.

#### ***Security Instruments and Warrants***

Pursuant to a Security Agreement, dated as of the Funding Date (the Security Agreement), between the Company and the Lender, substantially all of the Company's obligations under the Credit Agreement are secured by a first lien perfected security interest on all of the Company's assets, subject to customary exceptions.

As consideration for the Credit Agreement, the Company has issued, on the Funding Date, the Perceptive Warrant of up to 5,000,000 shares of the Company's common stock, including the Initial Warrants which are equity classified at a per share exercise price equal to \$1.0648 which is equal to the 10-day volume weighted average price (VWAP) of the Company's common stock, on the business day immediately prior to the Closing Date of the Tranche A Loan. In connection with the Tranche B borrowing, additional warrants became exercisable into 1,000,000 shares of common stock with a per share exercise price equal to \$1.0648, which is equal to the Initial Warrant exercise price and expire on December 15, 2033 (the Tranche B Warrants).

In addition to the Initial and Tranche B Warrants, additional warrants would become exercisable into 1,000,000 shares of common stock concurrently with the borrowing date of the Tranche C Loan (the Tranche C Warrants). The Company accounted for the Tranche C Warrants as liabilities as the Tranche C Warrants did not meet the criteria for equity treatment (see Note 4 – *Fair Value*). The Tranche C loan was not drawn by the loan commitment date and the associated Tranche C Warrants expired and are no longer exercisable.

#### ***Representations, Warranties, Covenants, and Events of Default***

The Credit Agreement contains certain representations and warranties, affirmative covenants, negative covenants, financial covenants, and conditions that are customarily required for similar financings. The affirmative covenants, among other things, require the Company to undertake various reporting and notice requirements, maintain insurance and maintain in full force and effect all Regulatory Approvals, Material Agreements, Material Intellectual Property (each as defined in the Credit Agreement) and other rights, interests or assets (whether tangible or intangible) reasonably necessary for the operations of the Company's business. The negative covenants restrict or limit the ability of the Company to, among other things and subject to certain exceptions contained in the Credit Agreement, incur new indebtedness; create liens on assets; engage in certain fundamental corporate changes, such as mergers or acquisitions, or changes to the Company's business activities; make certain Investments or Restricted Payments (each as defined in the Credit Agreement); change its fiscal year; pay dividends; repay other certain indebtedness; engage in certain affiliate transactions; or enter into, amend or terminate any other agreements that has the impact of restricting the Company's ability to make loan repayments under the Credit Agreement. In addition, the Company must (i) at all times prior to the Maturity Date maintain a minimum cash balance of \$2.5 million; and (ii) as of the last day of each fiscal quarter commencing on the fiscal quarter ending March 31, 2023, meet certain minimum net revenue threshold amounts agreed to between the Company and Perceptive.

On May 10, 2023, the Company entered into the First Amendment with the Lender, whereby subject to the terms and conditions of the First Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold of each fiscal quarter commencing on the fiscal quarter ending June 30, 2023 through and including the fiscal quarter ending

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

March 31, 2024. As consideration for the First Amendment, the Company agreed to issue to Perceptive a warrant to purchase up to 500,000 shares of the Company's common stock (the First Amendment Warrants) which are equity classified at a per share exercise price equal to \$1.6254 (see Note 8 - *Equity*).

On August 4, 2023 (the Second Amendment Effective Date), the Company entered into the Second Amendment to the Credit Agreement and Guaranty (the Second Amendment) with Perceptive as lender and administrative agent and the Company, as borrower, whereby subject to the terms and conditions of the Second Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold as of the last day of each fiscal quarter commencing on the fiscal quarter ending June 30, 2024 through and including the fiscal quarter ending December 31, 2025.

Under the terms of the Second Amendment, the conditions precedent for drawing on the Tranche B Loan were amended to (i) reduce the trailing twelve-month revenue milestone and (ii) add the receipt of aggregate cash proceeds of at least \$27.5 million from an equity offering of the Company's common stock. During the three months ended December 31, 2023, the amended conditions precedent were met and on December 15, 2023, the Company exercised its ability to draw the Tranche B loan for \$10.0 million.

On February 29, 2024 (the Third Amendment Effective Date), the Company entered into the Third Amendment to the Credit Agreement and Guaranty (the Third Amendment) with Perceptive as lender and administrative agent and the Company, as borrower, whereby subject to the terms and conditions of the Third Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold as of the last day of each fiscal quarter commencing on the fiscal quarter ending March 31, 2024 through and including the fiscal quarter ending December 31, 2025.

The Credit Agreement also contains certain customary Events of Default which include, among others, non-payment of principal, interest, or fees, violation of covenants, inaccuracy of representations and warranties, bankruptcy and insolvency events, material judgments, cross-defaults to material contracts, certain regulatory-related events and events constituting a change of control. As of September 30, 2024, the Company was in compliance with all restrictive and financial covenants associated with its borrowings. The occurrence of an Event of Default could result in, among other things, the declaration that all outstanding principal and interest under the Perceptive Term Loan Facility are immediately due and payable in whole or in part.

On the Closing Date, the Initial Warrants and Additional Warrants were valued at \$2.9 million and \$0.1 million, respectively, using the Black-Scholes option-pricing model, estimated settlement probabilities and estimated exercise prices. As a result of the fees paid to Perceptive and the value of the Perceptive Warrant, the Company recognized a discount on the Perceptive Term Loan in the amount of \$5.2 million. The First Amendment Warrants were valued at \$0.7 million using the Black-Scholes option-pricing model which the recognized as a discount on the Perceptive Term Loan Facility. The Company recorded the debt discount as a reduction to the principal amount of the debt and is amortized as interest expense over the life of the debt.

Scheduled principal repayments (maturities) of long-term obligations were as follows (in thousands):

	<b>As of</b>
	<b>September 30, 2024</b>
Remainder of 2024	\$ 13
2025	21
2026	6
2027 and thereafter	40,000
Total	<u>\$ 40,040</u>

#### Note 7 – Leases

##### *Operating Leases*

The Company acts as a lessee under all its lease agreements. In January 2024 the Company relocated its corporate headquarters and laboratory facilities to Louisville, Colorado. The Company also leases laboratory and office space in De Soto, Kansas, under a non-cancelable lease agreement for approximately 9,066 square feet that is set to expire in October 2026. The Company De Soto lease agreement was amended on April 12, 2024 to include an additional 1,772 square feet of office space. The Company also holds various copier and equipment leases under non-cancelable lease agreements that expire in the next one to three years.

##### *Centennial Valley Properties I, LLC Lease Agreement*

On March 11, 2022, the Company entered into a Lease Agreement (the Lease) with Centennial Valley Properties I, LLC and subsequently assigned to CVP I Owner LLC, a Colorado limited liability company (the Landlord) for office and laboratory space in Louisville, Colorado (the Leased Premises). The initial term of the Lease is twelve years (the Initial Term) from the commencement

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

date, which was April 1, 2023 (the Commencement Date). The Company has two renewal options to extend the term of the Lease for an additional seven- or ten-year terms for each renewal.

Under the Lease, the Company is leasing approximately 79,980 square feet at the Leased Premises. The Company will pay base rent over the life of the Lease beginning at approximately \$227,000 per month and escalating, based on fixed escalation provisions, to approximately \$326,000 per month, plus certain operating expenses and taxes. The Company's obligation to pay base rent shall be abated, commencing as of the Commencement Date and ending on March 31, 2024 (the Abated Rent Period). Further, the Company's obligation to pay base rent with respect to a portion of the area of the Lease Premises equal to 19,980 square feet shall be abated (the Partial Abated Rent), commencing as of April 1, 2024 and ending on March 31, 2025 (the Partial Abated Rent Period). Pursuant to a work letter entered by the parties in connection with the Lease, the Landlord contributed an aggregate of \$18.8 million toward the cost of construction and improvements for the Leased Premises and the Company exercised its option for an additional tenant improvement allowance of \$2.0 million (the Extra Allowance Amount). The Company will repay the Extra Allowance Amount actually funded by the Landlord in equal monthly payments with an interest rate of 6% per year over the Initial Term excluding any part of the Abated Rent Period or Partial Abated Rent Period, which shall start to accrue on the date that the Landlord first disburses the Extra Allowance Amount. The Company made an accounting policy election to reduce the right-of-use asset and lease liability at lease commencement because the Lease specifies a maximum level of reimbursement for tenant improvements which are probable of being incurred and within the Company's control. Due to the tenant improvement allowances at the accounting lease commencement date and rent abatement periods described above, the Company expects the lease liability to accrete to approximately \$25.5 million by March 2025. The Company utilized the total \$20.8 million in tenant improvement allowances for capital expenditures for leasehold improvements throughout the year ended December 31, 2023.

The Lease includes various covenants, indemnities, defaults, termination rights, and other provisions customary for lease transactions of this nature. During the three months ended September 30, 2022, a \$5.0 million cash collateralized letter of credit under the operating lease agreement was released and the funds were subsequently transferred to the Landlord as a refundable deposit (subject to contingent reduction over the term of the lease) to secure the performance of the Company's obligations. The \$5.0 million refundable deposit is included within 'Other long-term assets' in the condensed balance sheet as of September 30, 2024.

Operating lease expense for all operating leases was \$0.6 million and \$1.7 million for the three and nine months ended September 30, 2024, respectively, compared to \$1.1 million and \$3.3 million for the three and nine months ended September 30, 2023, respectively. As of September 30, 2024, the weighted-average remaining lease term and discount rate associated with our operating leases were 10.3 years and 11.4%, respectively.

Future minimum lease payments associated with our operating leases were as follows (in thousands):

	As of September 30, 2024
Remainder of 2024	\$ 696
2025	3,909
2026	4,171
2027	4,063
2028	4,151
2029 and thereafter	28,113
Total future minimum lease payments	45,103
Less amount representing interest	(19,288)
Total lease liabilities	\$ 25,815

#### Note 8 – Equity

##### Equity Financing Programs

The Company maintains two facilities that enable equity financing on an ongoing basis at the Company's discretion, our at-the-market (ATM) offering and our common stock purchase agreement with Lincoln Park Capital Fund, LLC (Lincoln Park).

In November 2021, the Company entered into a sales agreement with a financial institution, pursuant to which the Company may issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$50.0 million (the ATM Shares), subject to terms and conditions. The ATM Shares will be offered and sold by the Company pursuant to its previously filed and currently effective registration statement on Form S-3, and sales of common stock, if any, will be made at market prices by methods deemed to

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be an “at-the-market offering” as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on the NASDAQ Global Market, or any other existing trading market for our common stock.

On March 7, 2022 (the LPC Effective Date), the Company entered into a purchase agreement with Lincoln Park Capital Fund, LLC (the Purchase Agreement), pursuant to which Lincoln Park has committed to purchase up to \$50.0 million of the Company's common stock (the LPC Facility). Under the terms and subject to the conditions of the Purchase Agreement, the Company has the right, but not the obligation, to sell to Lincoln Park, and Lincoln Park is obligated to purchase up to \$50.0 million of the Company's common stock. Such sales of common stock by the Company, if any, will be subject to certain limitations, and may occur from time to time, at the Company's sole discretion, over the 36-month period commencing on the LPC Effective Date. The Purchase Agreement may be terminated by the Company at any time, at its sole discretion, without any cost or penalty, by giving one business day notice to Lincoln Park to terminate the Purchase Agreement. Lincoln Park has covenanted not to cause or engage in any manner whatsoever, any direct or indirect short selling or hedging of the common stock.

On the LPC Effective Date, the Company issued 184,275 shares of common stock to Lincoln Park as a commitment fee (the Initial Commitment Shares) for which the Company did not receive consideration and, upon the available amount being reduced to an amount equal to or less than \$20.0 million, the Company will be required to issue 61,425 shares (the Additional Commitment Shares and together with the Initial Commitment Shares, collectively, the Commitment Shares). The Initial Commitment Shares issued were valued at \$0.6 million and, together with due diligence expenses and legal fees of \$0.1 million, reflect deferred offering costs of \$0.7 million, were included on the condensed balance sheet in 'Other long-term assets'. The deferred offering costs were charged against 'Additional paid-in capital' based upon proceeds from the sale of common stock under the Purchase Agreement. During the three and nine months ended September 30, 2024 and 2023, there were no deferred offering costs charged against 'Additional paid-in capital'. During the three and nine months ended September 30, 2024, the Company expensed zero and \$0.7 million, respectively, of deferred offering costs to 'Other (expense) income, net' in the condensed statements of operations as a result of changes in the probability of our ability to fully utilize the LPC Facility prior to the termination date. As of September 30, 2024, zero deferred offering costs remain. As of September 30, 2024, the Company had remaining available capacity for share issuances of up to \$46.9 million under the LPC facility, subject to the restrictions and limitations of the underlying facilities.

During the nine months ended September 30, 2024, the Company raised approximately \$0.6 million (\$0.6 million after deducting underwriting discounts and commissions and offering expenses payable), in gross proceeds from the sale of 313,928 common shares at a weighted average price per share of \$1.99 under the ATM facility. On April 5, 2024, the Company filed Supplement No. 1 to the ATM Prospectus Supplement dated December 22, 2021. To comply with volume limitations under applicable SEC rules and regulations, Supplement No. 1 reduced the aggregate offering price to up to \$100,000 of shares in order to maximize the amount the Company could offer under the April 2024 Offering (defined below). Following the successful completion of the Company's April 2024 Offering, the Company is no longer subject to volume limitations under applicable SEC rules and regulations that limit their availability as sources of funding. On August 7, 2024, the Company filed Supplement No. 2 to the ATM Prospectus Supplement dated December 22, 2021 to increase the aggregate offering price under the ATM facility up to \$50.0 million of shares. As of September 30, 2024, the Company had remaining available capacity for share issuances of up to \$28.2 million under the ATM facility.

#### *April 2024 Offering Summary*

On April 9, 2024, the Company closed an underwritten offering of common stock and a concurrent private placement. Collectively, the Company raised net proceeds of approximately \$51.3 million.

#### *Underwritten Offering*

On April 9, 2024, the Company closed an underwritten offering (the Offering) of 17,391,832 shares of its common stock (the Common Stock). The Common Stock was issued and sold pursuant to an underwriting agreement (the Underwriting Agreement), dated April 5, 2024, by and between the Company and TD Securities (USA) LLC, William Blair & Company, L.L.C., and Canaccord Genuity LLC as representatives of the underwriters (the Underwriters), at a price to the public of \$1.15 per share. The Company received net proceeds of approximately \$18.3 million from the Offering after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company.

The Underwriting Agreement contains customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company and the Underwriters, including for liabilities under the Securities Act, other obligations of the parties and termination provisions. The Underwriting Agreement also includes lock up restrictions that will be in effect during the period ending 90 days subsequent to April 5, 2024. The representations, warranties, and agreements contained in the Underwriting Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties.

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The Offering was made pursuant to the Company's effective Registration Statement on Form S-3 (File No. 333-261095) previously filed with the SEC on November 29, 2021 and a prospectus supplement, dated April 5, 2024 relating to the Offering.

#### ***Concurrent Private Placement***

On April 5, 2024, the Company entered into securities purchase agreements (the Securities Purchase Agreements) with various investors, including certain members of management, certain of its directors and funds affiliated with those directors (the Investors) for the issuance and sale by the Company of an aggregate of 760,857 shares of Series A Non-Voting Convertible Preferred Stock, par value \$0.001 per share (the Series A Preferred Stock) in an offering (the Concurrent Private Placement). The Preferred Stock was issued to the Investors pursuant to an exemption from the registration requirements of the Securities Act of 1933, as amended (the Securities Act) afforded by Section 4(a)(2) of the Securities Act. Pursuant to the terms of the Securities Purchase Agreements, the Company agreed to submit to its stockholders the approval of the (i) conversion of the Preferred Stock into shares of Common Stock in accordance with Nasdaq Stock Market Rules (the Conversion Proposal) and (ii) the issuance of Series A Preferred Stock to certain members of management, certain of its directors and funds affiliated with those directors (the Issuance Proposal) at its 2024 annual meeting of stockholders. The Securities Purchase Agreements include customary representations, warranties and covenants by the parties to the agreement.

Pursuant to the Securities Purchase Agreements, the Investors purchased the Preferred Stock at a purchase price of \$46.00 per share for an aggregate purchase price of approximately \$35.0 million.

#### ***Registration Rights Agreement***

In connection with the Concurrent Private Placement, the Company also entered into a Registration Rights Agreement, dated April 5, 2024 (the Registration Rights Agreement), with the Investors, which provides that the Company will register the resale of the shares of Common Stock issuable upon conversion of the Preferred Stock. Pursuant to the Registration Rights Agreement, the Company was required to prepare and file an initial registration statement with the SEC as soon as reasonably practicable, but in no event later than April 23, 2024 (the Filing Deadline), and to use reasonable best efforts to have the registration statement declared effective within 50 days after the closing of the Concurrent Private Placement, subject to the approval of the conversion of the Private Placement Shares being received at the Company's 2024 annual meeting of stockholders.

On April 8, 2024, the Company filed a Certificate of Designations of Preferences, Rights and Limitations of the Series A Non-Voting Convertible Preferred Stock with the Secretary of State of the State of Delaware (the Certificate of Designations) in connection with the Concurrent Private Placement. The Certificate of Designations provided for the issuance of up to 760,857 shares of the Series A Preferred Stock.

Following stockholder approval of the Conversion Proposal, each share of Series A Preferred Stock automatically converted into 40 shares of Common Stock, subject to certain limitations, including that a holder of Series A Preferred Stock was prohibited from converting shares of Series A Preferred Stock into shares of Common Stock if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than a specified percentage (established by the holder between 0% and 19.9%) of the total number of shares of Common Stock issued and outstanding immediately after giving effect to such conversion.

On May 21, 2024, the Company held its 2024 annual meeting of stockholders in which the Conversion Proposal and Issuance Proposal were approved by the Company's stockholders. Upon approval, each share of Series A Preferred Stock automatically converted into 40 shares of Common Stock and, on May 23, 2024, the Company issued 30,434,280 shares of Common Stock in exchange for all Series A Preferred Stock.

#### ***Warrants***

During 2018, the Company issued warrants to purchase shares of convertible preferred stock in conjunction with the sale of certain convertible preferred shares and issuance of debt. The Company issued to the lender a warrant to purchase 613,333 shares of Series G convertible preferred stock, at an exercise price of \$0.75 per share, subject to adjustment upon specified dilutive issuances. The warrant was immediately exercisable upon issuance and expires on February 23, 2028. Through the effective date of the Company's initial public offering (IPO) in October 2020, the Series G warrants were remeasured to an estimate of fair value using a Black-Scholes pricing model. As a result of the Company's IPO, the preferred stock warrants were automatically converted to warrants to purchase 103,326 shares of common stock with a weighted average exercise price of \$4.46 and were also transferred to additional paid-in capital. All common stock warrants remain outstanding as of September 30, 2024.

On November 21, 2022, as consideration for the Perceptive Term Loan Facility (see Note 6 – *Debt*), the Company issued the Perceptive Warrant to purchase up to 5,000,000 shares of the Company's common stock, including the Initial Warrants. The per share exercise price for the Initial Warrants is equal to \$1.0648, which is equal to the lower of (A) the 10-day VWAP of the Company's common stock on the business day immediately prior to the Closing Date of the Tranche A Loan or (B) the public offering price per share of common stock of \$1.15. The Initial Warrants are equity classified and were immediately exercisable upon issuance and expire on November 21,

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2032. The Initial Warrants were valued at \$2.9 million using the Black-Scholes option-pricing model assuming an expected term of 10 years, a volatility of 81.3%, a dividend yield of 0% and a risk-free interest rate of 3.67%. All Initial Warrants remain outstanding as of September 30, 2024.

On May 10, 2023, as consideration for the First Amendment (see Note 6 – *Debt*), the Company agreed to issue to Perceptive a warrant to purchase up to 500,000 shares of the Company’s common stock (the First Amendment Warrants) at a per share exercise price equal to \$1.6254, which is equal to the 10-day VWAP of the Company’s common stock ending on the business day immediately prior to the First Amendment Effective Date. The First Amendment Warrants are equity classified and immediately exercisable upon issuance and expire on May 10, 2033. The First Amendment Warrants were valued at \$0.7 million using the Black-Scholes option-pricing model assuming an expected term of 10 years, a volatility of 78.7%, a dividend yield of 0% and a risk-free interest rate of 3.49%. All First Amendment Warrants remain outstanding as of September 30, 2024.

On December 15, 2023 (the Tranche B Borrowing Date), the Company exercised its ability to draw the Tranche B loan (see Note 8 – *Debt*). In connection with the Tranche B draw, the Company remeasured the Tranche B Warrants through the Tranche B Borrowing Date and recorded the change in fair value through the statements of operations and, subsequently, reclassified the fair value to additional paid-in capital. The Tranche B Warrants are now equity classified and immediately exercisable upon issuance and expire on December 15, 2033. The Tranche B Warrants were valued at \$1.3 million using the Black-Scholes option-pricing model assuming an expected term of 10 years, a volatility of 76.2%, a dividend yield of 0% and a risk-free interest rate of 3.91%. All Tranche B Warrants remain outstanding as of September 30, 2024.

#### Note 9 – Revenue and Accounts Receivable Credit Concentration

We derive our revenue from two primary sources: (i) providing diagnostic testing in the clinical setting (Diagnostic Tests); and (ii) providing biopharmaceutical companies with services that include diagnostic research, clinical research, clinical trial testing, development and testing services provided outside the clinical setting and governed by individual contracts with third parties as well as development and commercialization of companion diagnostics. We also recognize revenue from other services, including amounts derived from licensing our technologies (Biopharmaceutical Services and other).

Diagnostic test revenues consist of blood-based lung tests which are recognized in the amount expected to be received in exchange for diagnostic tests when the diagnostic tests are delivered. The Company conducts diagnostic tests and delivers the completed test results to the prescribing physician or patient, as applicable. The fees for diagnostic tests are billed either to a third party such as Medicare, medical facilities, commercial insurance payers, or to the patient. The Company determines the transaction price related to its diagnostic test contracts by considering the nature of the payer, test type, and historical price concessions granted to groups of customers. For diagnostic test revenue, the Company estimates the transaction price, which is the amount of consideration it expects to be entitled to receive in exchange for providing services based on its historical collection experience, using a portfolio approach. The Company recognizes revenues for diagnostic tests upon delivery of the tests to the physicians requesting the tests or patient, as applicable.

Services revenue consists of on-market tests, pipeline tests, custom diagnostic testing, and other scientific services for a purpose as defined by any individual customer, which is often with biopharmaceutical companies. The performance obligations and related revenue for these sales is defined by a written agreement between the Company and the customer. These services are generally completed upon the delivery of testing results, or other contractually defined milestone(s), to the customer. Revenue for these services is recognized upon delivery of the completed test results, or upon completion of the contractual milestone(s). In addition, other revenue includes amounts derived from licensing our digital sequencing technologies to our international laboratory partners. We are compensated through royalty-based payments for the licensed technology, and depending on the nature of the technology licensing arrangements and considering factors including but not limited to enforceable right to payment and payment terms, and if an asset with alternative use is created, these revenues are recognized in the period when royalty-bearing sales occur.

Revenues consisted of the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Diagnostic Tests	\$ 17,168	\$ 12,301	\$ 47,503	\$ 32,395
Biopharmaceutical Services and other	983	1,190	3,391	2,024
Total revenue	<u>\$ 18,151</u>	<u>\$ 13,491</u>	<u>\$ 50,894</u>	<u>\$ 34,419</u>

#### *Deferred Revenue*

Deferred revenue consists of cash payments from customers received in advance of delivery. As test results are delivered, the Company recognizes the deferred revenue in ‘Revenues’ in the condensed statements of operations. The Company had \$0.3 million in ‘Deferred

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revenue' recorded in the condensed balance sheet as of December 31, 2023 and \$0.9 million was added throughout 2024 to 'Deferred revenue' for up-front cash payments while \$0.5 million was recognized in revenues during the nine months ended September 30, 2024. The 'Deferred revenue' of \$0.7 million recorded in the condensed balance sheet as of September 30, 2024 is expected to be recognized in revenues over the next twelve months as test results are delivered and services are performed. As of September 30, 2024 and December 31, 2023, the Company had \$0.3 million in non-current deferred revenue, respectively, recorded within 'Other long-term liabilities' in the condensed balance sheets which represent amounts to be recognized in excess of twelve months from the respective balance sheet date.

The Company's customers in excess of 10% of total revenue and their related revenue as a percentage of total revenue were as follows:

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
United Healthcare	7%	10%	8%	10%

In addition to the above table, we collect reimbursement on behalf of customers covered by Medicare, which accounted for 40% of the Company's total revenue for both the three and nine months ended September 30, 2024 compared to 41% and 45% for the three and nine months ended September 30, 2023, respectively.

The Company is subject to credit risk from its accounts receivable related to services provided to its customers. The Company's third-party payors and other customers in excess of 10% of accounts receivable, and their related accounts receivable as a percentage of total accounts receivable were as follows:

	<b>As of</b>	
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Medicare	26%	21%

**Note 10 – Share-Based Compensation**

The Company's share-based compensation awards are issued under the 2020 Equity Incentive Plan (2020 Plan), the predecessor 2016 Equity Incentive Plan (2016 Plan) and 2006 Equity Incentive Plan (2006 Plan). Any awards that expire or are forfeited under the 2016 Plan or 2006 Plan become available for issuance under the 2020 Plan. As of September 30, 2024, 809,163 shares of common stock remained available for future issuance under the 2020 Plan.

**Share-Based Compensation Expense**

Share-based compensation expense reported in the Company's condensed statements of operations was (in thousands):

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Direct costs and expenses	\$ 20	\$ 17	\$ 54	\$ 41
Research and development	110	68	240	249
Sales, marketing, general and administrative	1,385	869	5,079	4,002
Total	<u>\$ 1,515</u>	<u>\$ 954</u>	<u>\$ 5,373</u>	<u>\$ 4,292</u>

The unrecognized remaining share-based compensation expense for options and RSUs was approximately \$6.5 million as of September 30, 2024 and is expected to be amortized to expense over the next 2.2 years.



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**Stock Options**

Stock option activity during the nine months ended September 30, 2024, excluding the Bonus Option Program described below, was (in thousands, except weighted average exercise price and weighted average contractual life):

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Aggregate Intrinsic Value
<b>Outstanding - January 1, 2024</b>	2,041	\$ 3.36	6.9	\$ 964
Granted	2,226	1.67	—	—
Forfeited/canceled	(221)	1.96	—	—
Exercised	(27)	0.72	—	—
<b>Outstanding - September 30, 2024</b>	<u>4,019</u>	<u>\$ 2.52</u>	<u>7.9</u>	<u>\$ 1,250</u>
<b>Exercisable - September 30, 2024</b>	<u>1,719</u>	<u>\$ 3.48</u>	<u>6.2</u>	<u>\$ 822</u>

**Restricted Stock Unit Activity**

Restricted stock unit activity during the nine months ended September 30, 2024 was (in thousands, except weighted average grant date fair value per share):

	Number of Shares	Weighted Average Grant Date Fair Value Per Share
<b>Outstanding - January 1, 2024</b>	2,729	\$ 1.91
Granted	1,670	1.81
Forfeited/canceled	(15)	1.92
Released	(591)	2.01
<b>Outstanding - September 30, 2024</b>	<u>3,793</u>	<u>\$ 1.85</u>

**Bonus-to-Options Program**

The Company also has a Bonus-to-Options Program (the Bonus Option Program) which allows participants who so elect to convert a portion of their annual cash bonus into fully vested, non-qualified stock options to purchase shares of common stock. Participation is limited to the Chief Executive Officer, direct reports to the Chief Executive Officer and Vice Presidents of the Company. As part of the Bonus Option Program, the Company recorded the following activity during the nine months ended September 30, 2024 (in thousands, excepted weighted average exercise price and weighted average contractual life):

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)	Aggregate Intrinsic Value
<b>Outstanding - January 1, 2024</b>	1,050	\$ 2.81	8.4	\$ 22
Granted	341	1.46	—	—
Forfeited/canceled	(27)	24.34	—	—
Exercised	—	—	—	—
<b>Outstanding - September 30, 2024</b>	<u>1,364</u>	<u>\$ 2.04</u>	<u>8.2</u>	<u>\$ 129</u>
<b>Exercisable - September 30, 2024</b>	<u>1,364</u>	<u>\$ 2.04</u>	<u>8.2</u>	<u>\$ 129</u>

The Company recorded \$0.3 million and \$0.7 million for the three and nine months ended September 30, 2024, respectively, compared to an insignificant amount and \$0.2 million for the three and nine months ended September 30, 2023, respectively, related to the estimate of the Bonus Option Program. Options granted, if any, pertaining to the performance of the Bonus Option Program are typically approved and granted in first quarter of the year following completion of the fiscal year.

**Employee Stock Purchase Plan**

The ESPP provides for successive six-month offering periods beginning on September 1st and March 1st of each year. During the nine months ended September 30, 2024, 471,843 shares were issued under the ESPP leaving 175,275 shares reserved for future issuance.

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**Notes to Unaudited Condensed Financial Statements**

**Note 11 – Net Loss per Common Share**

Basic net loss per share excludes dilution and is computed by dividing net loss attributable to the common stockholders by the weighted-average shares outstanding during the period. Diluted net loss per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, resulting in the issuance of shares of common stock that would then share in the earnings or losses of the Company.

Basic and diluted loss per share for the three and nine months ended September 30, 2024 and 2023 were (in thousands, except per share amounts):

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Numerator</b>				
Net loss attributable to common stockholders	\$ (10,258)	\$ (10,949)	\$ (34,680)	\$ (43,007)
<b>Denominator</b>				
Weighted-average shares outstanding used in computing net loss per share, basic and diluted	146,296	79,709	123,634	78,672
Net loss per share, basic and diluted	<u>\$ (0.07)</u>	<u>\$ (0.14)</u>	<u>\$ (0.28)</u>	<u>\$ (0.55)</u>

The following outstanding common stock equivalents were excluded from diluted net loss attributable to common stockholders for the periods presented because inclusion would be anti-dilutive (in thousands):

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Options to purchase common stock	5,383	3,262	5,383	3,262
Shares committed under ESPP	22	17	22	17
Warrants	4,603	5,603	4,603	5,603
Restricted stock units	3,793	2,769	3,793	2,769
Total	<u>13,801</u>	<u>11,651</u>	<u>13,801</u>	<u>11,651</u>

**Note 12 – Income Taxes**

Since inception, the Company has incurred net taxable losses, and accordingly, no provision for income taxes has been recorded. There was no cash paid for income taxes during the three and nine months ended September 30, 2024 and 2023.

**Note 13 – Commitments and Contingencies**

***Co-Development Agreement***

In April 2014 and amended in October 2016, the Company entered into a worldwide agreement with AVEO to develop and commercialize AVEO's hepatocyte growth factor inhibitory antibody ficlatuzumab with the Company's proprietary companion diagnostic test, BDX004, a version of the Company's serum protein test that is commercially available to help physicians guide treatment decisions for patients with advanced non-small cell lung cancer (NSCLC). Under the terms of the agreement, AVEO conducted a proof of concept (POC) clinical study of ficlatuzumab for NSCLC in which BDX004 was used to select clinical trial subjects (the NSCLC POC Trial). Under the agreement, the Company and AVEO shared equally in the costs of the NSCLC POC Trial, and each were responsible for 50% of development and regulatory costs associated with all future clinical trials agreed upon by the Company and AVEO.

In September 2020, the Company exercised its opt-out right with AVEO for the payment of 50% of development and regulatory costs for ficlatuzumab effective December 2, 2020 (the AVEO Effective Date). Following the AVEO Effective Date, the Company is entitled to a 10% royalty of net sales of ficlatuzumab and 25% of license income generated from the licensing of ficlatuzumab from AVEO. In September 2021, AVEO announced that the FDA has granted Fast Track Designation (FTD) to ficlatuzumab for the treatment of patients with relapsed or recurrent head and neck squamous cell carcinoma. In November 2021 AVEO also announced plans to initiate a registrational Phase 3 clinical trial for ficlatuzumab which began in January 2024. There were no royalties received or expenses related to this agreement for the three and nine months ended September 30, 2024 and 2023 and the Company has no obligations related to the AVEO agreement as of September 30, 2024.

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#### *License Agreements*

In August 2019, we entered into a non-exclusive license agreement with Bio-Rad Laboratories, Inc. (Bio-Rad) (the Bio-Rad License). Under the terms of the Bio-Rad License, the Company received a non-exclusive license, without the right to grant sublicenses, to utilize certain of Bio-Rad's intellectual property, machinery, materials, reagents, supplies and know-how necessary for the performance of Droplet Digital PCR™ (ddPCR) in cancer detection testing for third parties in the United States. The Company also agreed to purchase all of the necessary supplies and reagents for such testing exclusively from Bio-Rad, pursuant to a separately executed supply agreement (the Supply Agreement) with Bio-Rad. The Bio-Rad License was set to expire in August 2024. In May 2024, the Company amended the agreement to extend the Supply Agreement to August 2026. Either party may terminate for the other's uncured material breach or bankruptcy events. Bio-Rad may terminate the Bio-Rad License if the Company does not purchase licensed products under the Supply Agreement for a consecutive twelve-month period or for any material breach by us of the Supply Agreement.

On May 13, 2021 (the CellCarta Effective Date), we reached agreement with CellCarta Biosciences Inc. (formerly "Caprion Biosciences, Inc.") (the CellCarta License) on a new royalty bearing license agreement for the Nodify XL2 test. The parties agreed to terminate all prior agreements and replace with this new arrangement, which has a 1% fee on net sales made from the first commercial sale of the Nodify XL2 test to the CellCarta Effective Date as an upfront make-good payment covering past royalties due and a royalty rate of 0.675% on future Nodify XL2 test net sales worldwide for 15 years from the first commercial sale, ending in 2034. Royalty expense under the CellCarta License was \$0.1 million and \$0.2 million for the three and nine months ended September 30, 2024, respectively, and \$0.1 million for both the three and nine months ended September 30, 2023, respectively.

On October 31, 2019, we completed an acquisition of Freenome's United States operations (formerly "Oncimmune USA" or "Oncimmune") including its COLA/CLIA lab in De Soto, Kansas and its pulmonary nodule malignancy test, then marketed in the United States as the EarlyCDT Lung® test. We renamed and relaunched the test on February 28, 2020 as the Nodify CDT test. As part of the acquisition of the assets of Oncimmune, the Company entered into several agreements to govern the relationship between the parties. The Company agreed to a license agreement and royalty payment related to the Nodify CDT test of 8% of recognized revenue for non-screening tests up to an annual minimum volume and 5% thereafter. Royalty expenses were \$0.5 million and \$1.1 million for the three and nine months ended September 30, 2024, respectively, compared to \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2023, respectively.

#### *Litigation, Claims and Assessments*

From time to time, we may become involved in legal proceedings or investigations which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows.

#### **Note 14 – Subsequent Events**

On October 30, 2024 (the Fourth Amendment Effective Date), the Company entered into the Fourth Amendment to the Credit Agreement and Guaranty (the Fourth Amendment) with Perceptive, as lender and administrative agent, and the Company, as borrower, whereby subject to the terms and conditions of the Fourth Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold as of the last day of each fiscal quarter commencing on the fiscal quarter ending June 30, 2025 through and including the fiscal quarter ending December 31, 2027.

On November 1, 2024, the Company expects to file a shelf registration statement on Form S-3 and enter into a new sales agreement with a financial institution, pursuant to which the Company may issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$50.0 million, subject to terms and conditions (the 2024 ATM Program). The shares of common stock offered pursuant to the 2024 ATM Program will be offered and sold by the Company pursuant to its registration statement on Form S-3 once declared effective by the SEC. Sales of common stock under the 2024 ATM Program, if any, will be made at market prices by methods deemed to be an "at-the-market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on the NASDAQ Global Market, or any other existing trading market for our common stock. In connection with establishing the 2024 ATM Program, the Company terminated its prior \$50.0 million ATM program established in November 2021, and no additional stock can be issued thereunder.

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

Biodesix, Inc. is referred to throughout this Quarterly Report on Form 10-Q for the period ended September 30, 2024 (Form 10-Q) as “we”, “us”, “our” or the “Company”.

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 (Form 10-K) and the Condensed Financial Statements as of September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023, included in Part I, Item 1 of this Form 10-Q, which provide additional information regarding our financial position, results of operations and cash flows. To the extent that the following MD&A contains statements which are not of a historical nature, such statements are forward-looking statements, which involve risks and uncertainties, including but not limited to those set forth under the caption “Special Note Regarding Forward-Looking Statements” and Item 1A. “Risk Factors” of Part II in this Quarterly Report on Form 10-Q and those discussed in our other filings with the Securities and Exchange Commission (SEC), including the risks described in Item 1A. “Risk Factors” of Part I of our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on March 1, 2024.

The following MD&A discussion is provided to supplement the Condensed Financial Statements as of September 30, 2024 and 2023 and for the three and nine months then ended included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We intend for this discussion to provide you with information that will assist you in understanding our financial statements, the changes in key items in those financial statements from period to period, and the primary factors that accounted for those changes.

Data for the three and nine months ended September 30, 2024 and 2023 has been derived from our unaudited condensed financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### Overview

We are a leading diagnostic solutions company with a focus on lung disease. By combining a multi-omic approach with a holistic view of the patient’s disease state, we believe our solutions provide physicians with greater insights to help personalize their patient’s care and meaningfully improve disease detection, evaluation, and treatment. Our unique approach to precision medicine provides timely and actionable clinical information, which we believe helps improve overall patient outcomes and lowers the overall healthcare cost by reducing the use of ineffective and unnecessary treatments and procedures. In addition to our diagnostic tests, we provide biopharmaceutical companies with services that include diagnostic research, clinical trial testing, and the discovery, development, and commercialization of companion diagnostics. We also recognize revenue from other services, including amounts derived from licensing our technologies.

Our core belief is that no single technology will answer all clinical questions that we encounter. Therefore, we employ multiple technologies, including genomics, transcriptomics, proteomics, radiomics, and artificial intelligence enabled informatics to discover innovative diagnostic tests for potential clinical use. Our multi-omic approach is designed to enable us to discover diagnostic tests that answer critical clinical questions faced by physicians, researchers, and biopharmaceutical companies.

We regularly engage with our customers, key opinion leaders, and scientific experts to stay ahead of the rapidly evolving diagnostic treatment landscape to identify additional clinical unmet needs where a diagnostic test could help improve patient care. Additionally, we incorporate clinical and molecular profiling data from our commercial clinical testing, research studies, clinical trials, and biopharmaceutical customers or other collaborative partnerships, to continue to advance our platform. We have a variety of samples with associated data in our biobank, including tumor profiles and immune profiles, which are used for both internal and external research and development initiatives.

We have commercialized five diagnostic tests for our lung diagnostic business, each of which have Medicare coverage, which are currently available for use by physicians. Our Nodify CDT and Nodify XL2 tests, marketed as Nodify Lung Nodule Risk Assessment, assess the risk of lung cancer to help identify the most appropriate treatment pathway. The Nodify CDT and XL2 tests have an established average turnaround time of one and five business days, respectively, from receipt of the blood sample, providing physicians with timely results to guide diagnostic planning. The Nodify Lung Nodule Risk Assessment has resulted in a change in the calculated risk of malignancy in 80-85% of the cases. We believe we are the only company to offer two commercial blood-based tests to help physicians reclassify risk of malignancy in patients with suspicious lung nodules. Our GeneStrat ddPCR, GeneStrat NGS, and VeriStrat tests, marketed as the IQLung testing strategy, are used following diagnosis of lung cancer to measure the presence of mutations in the tumor and the state of the patient’s immune system to establish the patient’s prognosis and help guide treatment decisions. The GeneStrat targeted tumor profiling test and the VeriStrat immune profiling test have an established average turnaround time of two business days. The GeneStrat NGS test is our blood-based NGS test and has an established average turnaround time of three business days. The 52-gene panel includes guideline recommended mutations to help physicians treating advanced-stage lung cancer patients identify all four major mutation classes and genes, such as EGFR, ALK, KRAS, MET, NTRK, ERBB2, and others, and delivers them in an expedited timeframe so patient treatment can begin sooner.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

In addition to the five diagnostic tests currently on the market, we offer a broad range of assays for research use as part of our laboratory services which have been used by over 65 biopharmaceutical companies and academic partners. All of our diagnostic and services testing is performed at one of our two accredited, high-complexity clinical laboratories in Louisville, Colorado and De Soto, Kansas.

Since our inception, we have performed over 600,000 clinical diagnostic tests and continue to generate a large and growing body of clinical evidence consisting of over 300 clinical and scientific peer-reviewed publications, presentations, and abstracts. Through ongoing study of each of our tests, we continue to grow our depth of understanding of disease biology and the broad utility of each of our tests. We believe we are poised for rapid growth by leveraging our scientific and clinical development and laboratory operations expertise along with our commercial infrastructure which includes sales, marketing, reimbursement, and regulatory affairs.

In the United States, we market our tests to clinical customers through our direct sales organization, which includes sales representatives that are engaged in sales efforts and promotional activities primarily to pulmonologists, oncologists, cancer centers and nodule clinics. We market our tests and services to biopharmaceutical companies globally through our targeted business development team, which promotes the broad utility of our tests and testing capabilities throughout drug development and commercialization which is of value to pharmaceutical companies and their drug-development process.

#### Factors Affecting Our Performance

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

- **Testing volume and customer mix.** Our revenues and costs are affected by the volume of testing and mix of customers from period to period. We evaluate both the volume of our commercial tests, or the number of tests that we perform for patients on behalf of clinicians, as well as tests for biopharmaceutical companies. Our performance depends on our ability to retain and broaden adoption with existing customers, as well as attract new customers. We believe that the test volume we receive from clinicians and biopharmaceutical companies are indicators of growth in each of these customer verticals. Customer mix for our tests has the potential to significantly impact our results of operations, as the average selling price for biopharmaceutical sample testing is currently significantly greater than our average selling price for clinical tests since we are not a contracted provider for, or our tests are not covered by all clinical patients' insurance. We evaluate our average selling price for tests that are covered by Medicare, Medicare Advantage and commercial payers to understand the trends in reimbursement and apply those trends to our revenue recognition policies.
- **Reimbursement for clinical diagnostic testing.** Our revenue depends on achieving broad coverage and reimbursement for our tests from third-party payers, including both commercial and government payers. All five Biodesix blood-based lung diagnostic tests within Nodify Lung Nodule Risk Assessment testing and IQLung strategy for lung cancer patients are covered by Medicare. Payment from third-party payers differs depending on whether we have entered into a contract with the payers as a "participating provider" or do not have a contract and are considered a "non-participating provider." Payers will often reimburse non-participating providers, if at all, at a lower rate than participating providers.

Historically, we have experienced situations where commercial payers proactively reduced the amounts they were willing to reimburse for our tests, and in other situations, commercial payers 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. Becoming a participating provider generally results in higher reimbursement for covered indications and lack of reimbursement for non-covered indications. As a result, the impact of becoming a participating provider with a specific payer will vary. If we are not able to obtain or maintain coverage and adequate reimbursement from third-party payers, we may not be able to effectively increase our testing volume and revenue as expected. Additionally, retrospective reimbursement adjustments can negatively impact our revenue and cause our financial results to fluctuate.

On July 6, 2023, the Company announced that the Centers for Medicare & Medicaid Services (CMS) has designated the Nodify CDT Test as an Advanced Diagnostic Laboratory Test (ADLT) effective June 30, 2023. Obtaining ADLT status is a recognition that the Nodify CDT test meets the stringent criteria established under the Protecting Access to Medicare Act of 2014. ADLT status is reserved for innovative tests with Medicare coverage that provide new clinical diagnostic information that cannot be obtained from any other test or combination of tests. Nodify CDT joins our Nodify XL2 and VeriStrat tests with the ADLT designation.

- **Investment in clinical studies and product innovation to support growth.** A significant aspect of our business is our investment in research and development, including the development of new products and our investments in clinical studies for our on-market and pipeline products. Our studies focus on generating evidence to support expanded payer coverage, commercial adoption, and regulatory approvals. Current efforts are focused primarily on clinical utility as well as

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

understanding the economic impact of our tests in assisting with decisions related to patient management and the potential impact of our tests in reducing overall healthcare costs.

The ongoing INSIGHT study was designed to expand our clinical understanding of the predictive and prognostic value of the VeriStrat test. On June 27, 2023, we completed enrollment of 5,000 patients with non-small cell lung cancer. All study participants currently enrolled in the study are expected to complete study follow-up by 2026. The participant data will be monitored, and sites will be closed accordingly throughout 2025.

On July 12, 2023, we announced the prospective, real-world ORACLE study (An Observational Registry Study to Evaluate the Performance of the Nodify XL2 Test) achieved the primary endpoint of a statistically significant change in the proportion of benign lung nodules managed by Nodify XL2 experiencing invasive procedures. The ORACLE study showed patients with benign nodules managed with the Nodify XL2 test were 74% less likely to undergo an unnecessary invasive procedure compared to the control group. Additionally, the proportion of patients sent to CT surveillance with malignant nodules did not differ between the Nodify XL2 group and the control group. The ORACLE study officially closed on May 28, 2024.

The ALTITUDE study is a randomized control study, launched during the fourth quarter 2020, seeking to further demonstrate the utility of the Nodify CDT and XL2 tests.

On October 8, 2024, at the CHEST Annual Meeting, the Company presented the experience of healthcare providers using the Nodify Lung Nodule Risk Assessment in over 35,000 patients consecutively tested in a real-world clinical setting. The Company also announced a new clinical study, CLARIFY, that will collect patient outcomes and other clinical information on a subset of the patients featured in the CHEST presentation. CLARIFY is designed to confirm performance of the Nodify CDT and Nodify XL2 tests in diverse patient subgroups through a retrospective chart review of up to 4,000 patients that were tested in a real-world clinical setting. The study's intent is to expand the extensive evidence characterizing the validation and utility of Nodify Lung testing.

Our clinical research has resulted in approximately 90 peer-reviewed publications for our tests. In addition to clinical studies, we are collaborating with investigators from multiple academic cancer centers. On June 3, 2022, we announced the intent to develop a new novel molecular minimal residual disease (MRD) test as a part of a master sponsored research agreement (MSRA) with Memorial Sloan Kettering Cancer Center (MSK). In addition, the MSRA between MSK and the Company also includes the potential future development of other diagnostic tests aimed at improving the treatment of cancer. On March 25, 2024, we announced a new master collaborative research agreement (MCRA) with MSK under which the teams will collaborate on a development plan for diagnostic tests aimed at improving the treatment of cancer. Biodesix will utilize its array of genomics, proteomics, and data mining capabilities with the aim of developing and commercializing oncology biomarker assays in collaboration with MSK. Bio-Rad will provide its industry-leading digital PCR assay technology in support of this important work. We believe these studies and collaborative arrangements are critical to gaining physician adoption and driving favorable coverage decisions by payers and expect our investments in research and development to increase. Further we also expect to increase our research and development expenses to fund further innovation and develop new clinically relevant tests.

- **Ability to attract new biopharmaceutical customers and maintain and expand relationships with existing customers.** Our business development team promotes the broad utility of our products for biopharmaceutical companies in the United States and internationally. Our revenue, business opportunities and growth depend in part on our ability to attract new biopharmaceutical customers and to maintain and expand relationships with existing biopharmaceutical customers. We expect to increase our sales and marketing expenses in furtherance of this as we continue to develop these relationships, and we expect to support a growing number of investigations and clinical trials. If our relationships expand, we believe we may have opportunities to offer our platform for companion diagnostic development, novel target discovery and validation efforts, and to grow into other commercial opportunities. For example, we believe our multi-omic data including genomic and proteomic data, in combination with clinical outcomes or claims data, has revenue-generating potential, including for novel target identification and companion diagnostic discovery and development.
- **Motivating and expanding our field sales force and customer support team.** Our field sales force is the primary point of contact in the clinical setting. These representatives of the Company must cover expansive geographic regions which limits their time for interaction and education of our products in the clinical setting. We plan to continue investing in the field sales force through select expansion and provide them with tools that maximize their education and selling efforts in order to achieve greater returns. Additionally, we plan to invest in the marketing and customer support teams to continue to provide the field sales force with the resources to be successful.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

While each of these areas present significant opportunities for us, they also pose significant risks and challenges that we must address. See Part II, Item 1A. "Risk Factors" within this Form 10-Q and Item 1A. "Risk Factors" of Part I of our Annual Report on Form 10-K for the year ended December 31, 2023 for more information.

#### Third Quarter 2024 Financial and Operational Highlights

The following were significant developments affecting our business, capital structure and liquidity during the three months ended September 30, 2024 as compared to the same period in 2023 unless otherwise noted:

- Total revenue of \$18.2 million, an increase of 35% over the third quarter 2023:
  - **Lung Diagnostic** revenue of \$17.2 million reflected a year-over-year increase of 40% driven by the continued adoption of Nodify XL2 and Nodify CDT nodule risk assessment tests and strong reimbursement. However, test volumes were impacted at the end of the third quarter by disruption to patients, healthcare providers, and Biodesix teammates in the southeast due to Hurricane Helene;
  - **Biopharmaceutical Services** revenue of \$1.0 million decreased 17% year-over-year, driven by the timing of receipt of samples and shift of the completion of certain projects from the end of the third quarter into the beginning of the fourth;
- Third quarter 2024 gross profit of \$14.0 million, or 77.0% gross margin compared to 76.1% gross margin in the comparable prior year period. Our steady margin performance is primarily driven by volume growth in Lung Diagnostic testing that continues to drive down the per test costs;
- Operating expenses (excluding direct costs and expenses) of \$22.6 million, an increase of 29% as compared to the third quarter 2023, which includes \$3.0 million of non-cash stock compensation expense and depreciation and amortization as compared to \$1.7 million in third quarter of 2023. This increase is primarily attributable to an increase in sales and marketing costs to support both business lines' sales growth to enhance product awareness and drive adoption, and an increase in depreciation expense related to the leasehold improvements in the Company's Louisville, CO offices and laboratory which opened in January 2024;
- Net loss of \$10.3 million, an improvement of 6% as compared to the same period of 2023;
- Cash and cash equivalents of \$31.4 million as of September 30, 2024, a decrease from \$42.2 million from June 30, 2024;
  - *Cash and cash equivalents as of September 30, 2024 includes the final milestone payment of \$6.1 million for the acquisition of Integrated Diagnostics in 2018.*

#### Components of Operating Results

##### Revenues

We derive our revenue from two primary sources: (i) providing diagnostic testing in the clinical setting (Diagnostic Tests); and (ii) providing biopharmaceutical companies with services that include diagnostic research, clinical research, clinical trial testing, development and testing services generally provided outside the clinical setting and governed by individual contracts with third parties as well as development and commercialization of companion diagnostics. We also recognize revenue from other services, including amounts derived from licensing our technologies (Biopharmaceutical Services and other).

##### Diagnostic Tests

Diagnostic test revenue is generated from delivery of results from our diagnostic tests. In the United States, we performed tests as both an in-network and out-of-network service provider depending on the test performed and the contracted status of the insurer. We consider diagnostic testing to be completed upon the delivery of test results to our customer, either the prescribing physician or third-party to which we contracted for services to be performed, which is considered the performance obligation. The fees for such services are billed either to a third party such as Medicare, medical facilities, commercial insurance payers, or to the patient. We determine the transaction price related to our contracts by considering the nature of the payer, test type, the historical amount of time until payment by a payer and historical price concessions granted to groups of customers.

##### Biopharmaceutical Services and other

Biopharmaceutical Services revenue is generated from the delivery of our on-market tests, pipeline tests, custom diagnostic testing, and other scientific services for a purpose as defined by any individual customer. At times we collaborate with large biopharmaceutical companies in an attempt to discover biomarkers that would be helpful in their drug development or marketing. The performance

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

obligations and related revenue for these sales is defined by a written agreement between us and our customer. These services are generally completed upon the delivery of testing results, or other contractually defined milestone(s), to the customer, which is considered the performance obligation. Customers for these services are typically large pharmaceutical companies where collectability is reasonably assured and therefore revenue is accrued upon completion of the performance obligations. Revenue derived from services is often unpredictable and can cause significant swings in our overall net revenue line from quarter to quarter.

In addition, other revenue includes amounts derived from licensing our digital sequencing technologies to our international laboratory partners. We are compensated through royalty-based payments for the licensed technology, and depending on the nature of the technology licensing arrangements, and considering factors including, but not limited to: enforceable right to payment and payment terms, and if an asset with alternative use is created, these revenues are recognized in the period when royalty-bearing sales occur.

#### ***Operating Expenses***

##### *Direct costs and expenses*

Cost of diagnostic testing generally consists of cost of materials, direct labor, including bonuses, employee benefits, share-based compensation, equipment and infrastructure expenses associated with acquiring and processing test samples, including sample accessioning, test performance, quality control analyses, charges to collect and transport samples; curation of test results for physicians; and in some cases, license or royalty fees due to third parties. Costs associated with performing our tests are recorded as the tests are processed regardless of whether revenue was recognized with respect to the tests. Infrastructure expenses include allocated depreciation of laboratory equipment, rent costs, amortization of leasehold improvements and information technology costs. Royalties for licensed technology are calculated as a percentage of revenues generated using the associated technology and recorded as expense at the time the related revenue is recognized. One-time royalty payments related to signing of license agreements or other milestones, such as issuance of new patents, are amortized to expense over the expected useful life of the patents. While we do not believe the technologies underlying these licenses are necessary to permit us to provide our tests, we do believe these technologies are potentially valuable and of possible strategic importance to us or our competitors. Under these license agreements, we are obligated to pay aggregate royalties ranging from 1% to 8% of sales in which the patents or know-how are used in the product or service sold, sometimes subject to minimum annual royalties or fees in certain agreements.

We expect the aggregate cost of diagnostic testing to increase in line with the increase in the number of tests we perform, but the cost per test to decrease modestly over time due to the efficiencies we may gain as test volume increases, and from automation and other cost reductions. Cost of services includes costs incurred for the performance of development services requested by our customers. Costs of development services will vary depending on the nature, timing and scope of customer projects.

##### *Research and development*

Research and development expenses consist of costs incurred to develop technology and include salaries, share-based compensation and benefits, reagents and supplies used in research and development laboratory work, clinical trials infrastructure expenses, including allocated facility occupancy and information technology costs, contract services, quality and regulatory support, other outside costs and costs to develop our technology capabilities. Research and development expenses account for a significant portion of our operating expenses and consist primarily of external and internal costs incurred in connection with the discovery and development of our product candidates.

External expenses include: (i) payments to third parties in connection with the clinical development of our product candidates, including contract research organizations and consultants; (ii) the cost of manufacturing products for use in our preclinical studies and clinical trials, including payments to contract manufacturing organizations (CMOs) and consultants; (iii) scientific development services, consulting research fees and for sponsored research arrangements with third parties; (iv) laboratory supplies; and (v) allocated facilities, depreciation and other expenses, which include direct or allocated expenses for IT, rent and maintenance of facilities. External expenses are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our service providers or our estimate of the level of service that has been performed at each reporting date. We track external costs by the stage of program, clinical or preclinical.

Internal expenses include employee-related costs, including salaries, share-based compensation and related benefits for employees engaged in research and development functions. We do not track internal costs by product candidate because these costs are deployed across multiple programs and, as such, are not separately classified.

Research and development costs are expensed as incurred. Payments made prior to the receipt of goods or services to be used in research and development are deferred and recognized as expense in the period in which the related goods are received or services are rendered. Costs to develop our technology capabilities are recorded as research and development.



## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

We expect our research and development expenses to increase as we continue to innovate and develop additional products and expand our data management resources. As our services revenue grows, an increasing portion of research and development dollars are expected to be allocated to cost of services for biopharmaceutical service contracts. This expense, though expected to increase in dollars, is expected to decrease as a percentage of revenue in the long term, though it may fluctuate as a percentage of our revenues from period to period due to the timing and extent of these expenses.

#### *Sales, marketing, general and administrative*

Our sales and marketing expenses are expensed as incurred and include costs associated with our sales organization, including our direct sales force and sales management, client services, marketing, public relations, communications and reimbursement, as well as business development personnel who are focused on our biopharmaceutical customers. These expenses consist primarily of salaries, commissions, bonuses, employee benefits, share-based compensation, and travel, as well as marketing and educational activities and allocated overhead expenses. We expect our sales and marketing expenses to increase in dollars as we expand our sales force, increase our presence within the United States, and increase our marketing activities to drive further awareness and adoption of our tests and our future products and services. These expenses, though expected to increase in dollars, are expected to decrease as a percentage of revenue in the long term, though they may fluctuate as a percentage of our revenues from period to period due to the timing and nature of these expenses.

Our general and administrative expenses include costs for our executive, accounting, finance, legal and human resources functions. These expenses consist principally of salaries, bonuses, employee benefits, share-based compensation, and travel, as well as professional services fees such as consulting, audit, tax and legal fees, and general corporate costs and allocated overhead expenses. We expect that our general and administrative expenses will continue to increase in dollars, primarily due to increased headcount and costs associated with operating as a public company, including expenses related to legal, accounting, regulatory, maintaining compliance with exchange listing and requirements of the SEC, director and officer insurance premiums and investor relations. These expenses, though expected to increase in dollars, are expected to decrease as a percentage of revenue in the long term, though they may fluctuate as a percentage from period to period due to the timing and extent of these expenses.

#### *Non-Operating Expenses*

##### *Interest expense and interest income*

For the three and nine months ended September 30, 2024 and 2023, interest expense consists of cash and non-cash interest from the Perceptive Term Loan Facility and changes in the value of our contingent consideration associated with the passage of time subsequent to the achievement of the gross margin target in the second quarter 2021. Interest income, which is included in 'Other income, net' in the condensed statements of operations consists of income earned on our cash and cash equivalents.

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

**Results of Operations**

The following table sets forth the significant components of our results of operations for the periods presented (in thousands, except percentages):

	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Revenues	\$ 18,151	\$ 13,491	\$ 4,660	35%	\$ 50,894	\$ 34,419	\$ 16,475	48%
Operating expenses								
Direct costs and expenses	4,179	3,229	950	29%	11,231	9,636	1,595	17%
Research and development	2,547	1,938	609	31%	7,145	8,099	(954)	(12)%
Sales, marketing, general and administrative	20,016	15,496	4,520	29%	60,232	51,136	9,096	18%
Impairment loss on intangible assets	—	—	—	—%	135	20	115	575%
Total operating expenses	26,742	20,663	6,079	29%	78,743	68,891	9,852	14%
Loss from operations	(8,591)	(7,172)	(1,419)	(20)%	(27,849)	(34,472)	6,623	19%
Other (expense) income								
Interest expense	(2,041)	(2,386)	345	14%	(6,506)	(7,207)	701	10%
Loss on extinguishment of liabilities	—	—	—	—%	(248)	—	(248)	(100)%
Change in fair value of warrant liability, net	—	(1,393)	1,393	100%	—	(1,332)	1,332	(100)%
Other (expense) income, net	374	2	372	18,600%	(77)	4	(81)	(2,025)%
Total other expense	(1,667)	(3,777)	2,110	56%	(6,831)	(8,535)	1,704	20%
Net loss	\$ (10,258)	\$ (10,949)	\$ 691	6%	\$ (34,680)	\$ (43,007)	\$ 8,327	19%
Share-based compensation <sup>(1)</sup>	\$ 1,515	\$ 954	\$ 561	59%	\$ 5,373	\$ 4,292	\$ 1,081	25%

<sup>(1)</sup> Amounts represent share-based compensation expense reported in the Company's results of operations above.

**Revenues**

We generate revenue by providing laboratory testing of our diagnostic tests and services. Our revenues for the periods indicated were as follows (in thousands, except percentages):

	Three Months Ended				Nine Months Ended			
	September 30,		Change		September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Revenues								
Diagnostic Testing revenue	17,168	12,301	4,867	40%	47,503	32,395	15,108	47%
Biopharmaceutical Services and other revenue	983	1,190	(207)	(17)%	3,391	2,024	1,367	68%
Total revenues	\$ 18,151	\$ 13,491	\$ 4,660	35%	\$ 50,894	\$ 34,419	\$ 16,475	48%

Total revenue increased \$4.7 million or 35%, and increased \$16.5 million or 48% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023.

Diagnostic test revenue increased \$4.9 million or 40%, and increased \$15.1 million or 47% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increases are primarily due to an increase of \$4.7 million and \$15.8 million, respectively, in the Nodify Lung Nodule Risk Assessment testing strategy driven by an increase in tests delivered as our sales efforts continue to focus on Nodify CDT and XL2 tests. The increase in revenue for the nine months ended September 30, 2024 was partially offset by a \$0.7 million decrease in the IQLung testing strategy. The Company's diagnostic testing sales efforts continued to gain momentum during the three and nine months ended September 30, 2024 as the number of tests delivered reached the highest in Company history for seven consecutive quarters.

Biopharmaceutical Services and other revenue decreased \$0.2 million or 17%, and increased \$1.4 million or 68% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease in revenue for the three months ended September 30, 2024 was primarily due to the timing of sample receipts from certain biopharmaceutical partners, while the increase

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

in revenue for the nine months ended September 30, 2024 was primarily a result of delivering against our expanding book of business and securing new agreements.

**Operating Expenses**

*Direct costs and expenses*

Direct costs and expenses related to revenue increased \$1.0 million or 29%, and increased \$1.6 million or 17% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023, primarily driven by the increase in testing volume compared to the same periods in 2023, partially offset by the optimization of testing workflows that resulted in improvements in costs per test.

*Research and development*

Research and development expenses increased \$0.6 million or 31%, and decreased \$1.0 million or 12% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase in costs for the three months ended September 30, 2024 was due primarily to an increase in internal expenses associated with compensation and benefit costs resulting from an increase in headcount, while the decrease for the nine months ended September 30, 2024 was primarily a result of a decrease in external costs associated with clinical trials and data acquisition costs.

The following table summarizes our external and internal costs for the three and nine months ended September 30, 2024 and 2023 (in thousands, except percentages):

	<b>Three Months Ended</b>		<b>Change</b>		<b>Nine Months Ended</b>		<b>Change</b>	
	<b>September 30,</b>				<b>September 30,</b>			
	<b>2024</b>	<b>2023</b>	<b>\$</b>	<b>%</b>	<b>2024</b>	<b>2023</b>	<b>\$</b>	<b>%</b>
<b>External expenses:</b>								
Clinical trials and associated costs	\$ 268	\$ 393	\$ (125)	(32)%	\$ 911	\$ 1,609	\$ (698)	(43)%
Other external costs	730	563	167	30%	2,044	2,230	(186)	(8)%
Total external costs	998	956	42	4%	2,955	3,839	(884)	(23)%
<b>Internal expenses</b>	<b>1,549</b>	<b>982</b>	<b>567</b>	<b>58%</b>	<b>4,190</b>	<b>4,260</b>	<b>(70)</b>	<b>(2)%</b>
Total research and development expenses	<u>\$ 2,547</u>	<u>\$ 1,938</u>	<u>\$ 609</u>	<u>31%</u>	<u>\$ 7,145</u>	<u>\$ 8,099</u>	<u>\$ (954)</u>	<u>(12)%</u>

*Sales, marketing, general and administrative*

Sales, marketing, general and administrative expenses increased \$4.5 million or 29%, and increased \$9.1 million or 18% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The increase for the three and nine months ended September 30, 2024 was driven primarily by increases in employee compensation and benefits associated with an increase in headcount and variable compensation as well as increases in non-employee costs associated with increased spending on various sales meetings and sales fulfillment during 2024 as compared to 2023. Of the \$4.5 million and \$9.1 million increase, \$0.7 million and \$2.1 million, respectively, is associated with the increase in depreciation expense related to the leasehold improvements in our new Louisville headquarters and laboratory.

**Non-operating Expenses**

*Interest expense*

Interest expense decreased \$0.3 million or 14%, and decreased \$0.7 million or 10% for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease in interest expense for the three and nine months ended September 30, 2024 was primarily related to the interest associated with the declining contingent consideration balance as the remaining Milestone Payments and final exit fee payment were made.

*Loss on extinguishment of liabilities*

Loss on extinguishment of liabilities increased \$0.2 million or 100% for the nine months ended September 30, 2024, compared to the same period in 2023. On April 22, 2024, the Company obtained consent from Perceptive and prepaid the July 1, 2024 contingent consideration Milestone Payment of \$8.4 million to Indi. As a result of prepaying the Milestone Payment, the Company performed a fair value analysis through April 22, 2024 and recorded a loss on early extinguishment of \$0.2 million.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

#### *Change in fair value of warrant liability, net*

During the three and nine months ended September 30, 2024, the Company recorded no change in fair value of warrant liability in the condensed statements of operations. The Tranche C loan had a commitment date through September 30, 2024 and, as of that date, the Company did not exercise its ability to draw the Tranche C loan. Therefore, the associated Tranche C Warrants expired and are no longer exercisable. During the three and nine months ended September 30, 2023, the Company recorded a \$1.4 million and \$1.3 million net loss, respectively, as a change in fair value through the condensed statements of operations due to changes in unobservable inputs. This was a result of changes in the probability of our ability to draw on Tranche B and C loans.

#### *Other (expense) income, net*

During the three and nine months ended September 30, 2024, the Company recorded other income, net of \$0.4 million and other expense, net of \$0.1 million, respectively. The other income, net for the three months ended September 30, 2024 was comprised primarily of interest income. The other expense, net for the nine months ended September 30, 2024 primarily consisted of deferred offering costs of approximately \$0.7 million as a result of changes in the probability of our ability to fully utilize the LPC Facility prior to the termination date, offset by \$0.6 million of interest and other income.

#### **Liquidity and Capital Resources**

We are an emerging growth company and, as such, have yet to generate positive cash flows from operations. We have funded our operations to date principally from net proceeds from the sale of our common stock, the sale of convertible preferred stock, revenue from diagnostic testing and services, and the incurrence of indebtedness.

The Company amended the Indi APA agreement in April 2022 in which all parties agreed to restructure the Milestone Payments whereby the Company will make five quarterly installments of \$2.0 million each beginning in April 2022, three quarterly installments of \$3.0 million beginning in July 2023, one installment of \$5.0 million in April 2024, and one installment of approximately \$8.4 million in July 2024. In addition, the Company agreed to an exit fee of approximately \$6.1 million in October 2024. Interest shall accrue on the difference between the payment schedule as agreed in the August 2021 amendment and the April 2022 amended payment schedule, at an aggregate per annum rate equal to 10%, with such interest to be payable quarterly on the following installment payment date. Our ability to make these payments is subject to ongoing compliance under the Perceptive Term Loan and commencing January 1, 2024, consent from Perceptive. On April 22, 2024, the Company obtained consent from Perceptive and prepaid the July 1, 2024 Milestone Payment of \$8.4 million to Indi. On September 30, 2024, the Company obtained consent from Perceptive and prepaid the October 1, 2024 exit fee of \$6.1 million to Indi. The Company has no remaining obligations to Indi.

On November 21, 2022, the Company entered into a Credit Agreement and Guaranty (the Credit Agreement) with Perceptive Credit Holdings IV, LP (Perceptive) as lender and administrative agent (the Lender) for up to \$50.0 million, with funding of \$30.0 million and the issuance of warrants exercisable into 3,000,000 shares of the Company's common stock occurring on November 21, 2022, and two additional contingently issuable tranches of \$10.0 million each subject to certain terms and conditions, including revenue milestones. The Tranche C loan had a commitment date through September 30, 2024 and, as of that date, the Company did not exercise its ability to draw the Tranche C loan.

On April 7, 2023, the Company entered into a limited waiver under which the Lender agreed to waive the minimum revenue requirement for the three months ended March 31, 2023 (Limited Waiver). In addition, on May 10, 2023, the Company entered into the First Amendment to the Credit Agreement (First Amendment) with Perceptive as lender and administrative agent and the Company, as borrower, whereby subject to the terms and conditions of the First Amendment, the Minimum Net Revenue Covenant, as defined in the Credit Agreement, was modified to reduce the threshold through the twelve month period ended March 31, 2024.

On August 3, 2023, the Company entered into subscription agreements (the Subscription Agreements) with all of the members of our Board of Directors, all Section 16 officers, and additional members of the Biodesix leadership team for the issuance and sale by the Company of an aggregate of 16,975,298 of the Company's common stock for an aggregate purchase price of approximately \$27.5 million. During the three months ended September 30, 2023, the Company received \$15.3 million in proceeds and issued 9,454,927 shares of common stock. On September 27, 2023, the Company entered into an amendment to delay final closing on one subscription agreement. The remaining \$12.2 million in proceeds was received and 7,520,371 shares of common stock was issued during the three months ended December 31, 2023.

On August 4, 2023, the Company entered into the Second Amendment to the Credit Agreement (the Second Amendment) with Perceptive as lender and administrative agent and the Company, as borrower, whereby subject to the terms and conditions of the Second Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold as of the last day of each fiscal quarter commencing on the fiscal quarter ending June 30, 2024 through and including the fiscal quarter ending December 31, 2025.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

Pursuant to the original terms of the Credit Agreement entered into on November 21, 2022, the Perceptive Term Loan Facility includes an additional Tranche B Loan, in an aggregate amount of up to \$10.0 million, which is accessible by the Company so long as the Company satisfies certain customary conditions precedent, including revenue milestones. Under the terms of the Second Amendment, the conditions precedent for drawing on the Tranche B Loan were amended to (i) reduce the trailing twelve-month revenue milestone and (ii) add the receipt of aggregate cash proceeds of at least \$27.5 million from an equity offering of the Company's common stock. During the three months ended December 31, 2023, the Company met the remaining conditions precedent associated with the Tranche B Loan and, on December 15, 2023, the Company exercised its ability to draw the Tranche B loan for \$10.0 million (the Tranche B Loan).

On February 29, 2024 (the Third Amendment Effective Date), the Company entered into the Third Amendment to the Credit Agreement (the Third Amendment) with Perceptive as lender and administrative agent and the Company, as borrower, whereby subject to the terms and conditions of the Third Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold as of the last day of each fiscal quarter commencing on the fiscal quarter ending March 31, 2024 through and including the fiscal quarter ending December 31, 2025.

On April 9, 2024, the Company closed an underwritten offering of common stock and a concurrent private placement. Collectively, the Company raised net proceeds of approximately \$51.3 million.

As of September 30, 2024, the Company had remaining available capacity for share issuances of up to \$46.9 million under the LPC Facility, subject to the restrictions and limitations of the underlying facilities. On April 5, 2024, the Company filed Supplement No. 1 to the ATM Prospectus Supplement dated December 22, 2021. To comply with volume limitations under applicable SEC rules and regulations, Supplement No. 1 reduced the aggregate offering price to up to \$100,000 of shares in order to maximize the amount the Company could offer under the April 2024 Offering. Following the successful completion of the Company's April 2024 Offering, the Company is no longer subject to volume limitations under applicable SEC rules and regulations that limit their availability as sources of funding. On August 7, 2024, the Company filed Supplement No. 2 to the ATM Prospectus Supplement dated December 22, 2021 to increase the aggregate offering price under the ATM facility up to the original \$50.0 million of shares. As of September 30, 2024, the Company had remaining available capacity for share issuances of up to \$28.2 million under the ATM facility. On November 1, 2024, the Company expects to file a shelf registration statement on Form S-3 and enter into a new sales agreement with a financial institution, pursuant to which the Company may issue and sell, from time to time, shares of its common stock having an aggregate offering price of up to \$50.0 million, subject to terms and conditions (the 2024 ATM Program). The shares of common stock offered pursuant to the 2024 ATM Program will be offered and sold by the Company pursuant to its registration statement on Form S-3 once declared effective by the SEC. Sales of common stock under the 2024 ATM Program, if any, will be made at market prices by methods deemed to be an "at-the-market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended, including sales made directly on the NASDAQ Global Market, or any other existing trading market for our common stock. In connection with establishing the 2024 ATM Program, the Company terminated its prior \$50.0 million ATM program established in November 2021, and no additional stock can be issued thereunder.

As of September 30, 2024, we maintained cash and cash equivalents of \$31.4 million and we have \$40.0 million in outstanding aggregate principal amount on our Perceptive Term Loan Facility. We have incurred significant losses since inception and, as a result, we have funded our operations to date primarily through the sale of common stock, the sale of convertible preferred stock, the issuance of notes payable, and from our two primary revenue sources: (i) diagnostic testing, which includes lung diagnostic testing and (ii) providing biopharmaceutical companies with development and testing services and licensing our technologies. In accordance with Accounting Standards Update 2014-15 (ASC Topic 205-40), *Presentation of Financial Statements - Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern each reporting period, including interim periods. In evaluating the Company's ability to continue as a going concern, management projected its cash flow sources and evaluated the conditions and events that could raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that these financial statements were issued. Management considered the Company's current projections of future cash flows, our ability to execute our current operating plan, current financial condition, sources of liquidity and debt obligations for at least one year from the date of issuance of this Form 10-Q in considering whether it has the ability to meet its obligations.

Our ability to meet our obligations as they come due may be impacted by our ability to remain compliant with financial covenants in our Perceptive Term Loan Facility or to obtain waivers or amendments that impact the related covenants. As of September 30, 2024, the Company was in compliance with all restrictive and financial covenants associated with its borrowings. In addition, on October 30, 2024, the Company entered into the Fourth Amendment to the Credit Agreement (the Fourth Amendment), whereby, subject to the terms and conditions of the Fourth Amendment, the Minimum Net Revenue Covenant (as defined in the Credit Agreement) was amended to reduce the relevant threshold as of the last day of each fiscal quarter commencing on the fiscal quarter ending June 30, 2025 through and including the fiscal quarter ending December 31, 2027.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

Our ability to maintain our financial covenants under our Perceptive Term Loan Facility during the next twelve months is, in part, dependent upon executing our current operating plan. If we do not execute our current operating plan and maintain our financial covenants, this could result in an Event of Default (as defined in the Perceptive Term Loan Facility), causing an acceleration and repayment of the outstanding balances. The Perceptive Term Loan Facility requires the Company to meet certain Minimum Net Revenue threshold amounts agreed to between the Company and Perceptive as of the last day of each fiscal quarter, which commenced with the fiscal quarter ending March 31, 2023. We have taken steps to improve our liquidity through raising debt and equity capital and have also undertaken several proactive measures including, among other things, the reduction of planned capital expenditures and certain operating expenses. If we do not execute our current operating plan, we may need to consider further measures to reduce our operating expenses. These measures would limit or reduce our operations and could include a hiring freeze, reductions in our workforce, reduction in cash compensation, deferring capital expenditures, and reducing other operating costs.

If we do not execute our current operating plan we may need to continue to raise additional funds from external sources, such as through the issuance of debt or equity securities. We may also raise additional capital to restructure our existing debt or for general working capital purposes, or both. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we do raise additional capital through equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our existing stockholders' rights. There can be no assurance that additional capital will be available to us or, if available, will be available in sufficient amounts or on terms acceptable to us or on a timely basis.

We expect to continue to incur operating losses in the near term while we make investments to support our anticipated growth. Our ability to maintain our financial covenants is, in part, dependent upon executing our current operating plan and, along with the items noted above, raises substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are issued. Our unaudited financial statements have been prepared assuming we will continue as a going concern and do not include any adjustments that might be necessary should we be unable to continue as a going concern.

#### **Cash Flows**

The following summarizes our cash flows for the periods indicated (in thousands):

	Nine Months Ended September 30,	
	2024	2023
Net cash flows provided by (used in):		
Operating activities	\$ (44,553)	\$ (10,587)
Investing activities	(2,556)	(20,061)
Financing activities	52,231	7,401
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 5,122	\$ (23,247)

Our cash flows resulted in a net increase in cash and cash equivalents and restricted cash of \$5.1 million during the nine months ended September 30, 2024 as compared to the net decrease in cash of \$23.2 million for the nine months ended September 30, 2023. For the nine months ended September 30, 2024, net cash used in operating activities totaled \$44.6 million, an increase of approximately \$34.0 million compared to the same period in 2023 primarily due to unfavorable changes in net working capital of \$40.4 million, which includes \$23.2 million of payments made for contingent consideration during the nine months ended September 30, 2024 and an \$18.3 million decrease in tenant improvement allowances received for capital expenditures and leasehold improvements related to the CVP Lease. This is partially offset by a year-over-year decrease in net loss from operations of \$8.3 million.

Net cash used in investing activities during the nine months ended September 30, 2024 totaled \$2.6 million, a decrease of \$17.5 million compared to the same period in 2023. The decrease in net cash used in investing activities was primarily due to decreases in purchases of property and equipment and capital expenditures primarily for leasehold improvements related to the CVP Lease. These leasehold improvements were tenant improvements and were reimbursed from the Landlord.

Net cash provided by financing activities during the nine months ended September 30, 2024 totaled \$52.2 million, an increase of \$44.8 million compared to the same period in 2023. The net cash provided by financing activities for the nine months ended September 30, 2024 primarily resulted from \$51.3 million in net proceeds from the issuance of common stock from an underwritten offering of common stock and a concurrent private placement, \$0.6 million from the issuance of common stock from our ATM facility, and \$0.3 million from our ESPP. The net cash provided by financing activities for the nine months ended September 30, 2023 primarily resulted from \$15.3 million net proceeds from the issuance of common stock from the Subscription Agreements, partially offset by milestone payments to Indi of \$7.6 million and payments of debt issuance costs of \$0.8 million.

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

**Contractual Obligations and Commitments**

The following table summarizes our non-cancelable contractual obligations and commitments as of September 30, 2024 (in thousands):

	<b>Payments due by period <sup>(1)</sup></b>				
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 to 3 years</b>	<b>4 to 5 years</b>	<b>More than 5 years</b>
Borrowings and interest <sup>(2)</sup>	\$ 57,835	\$ 5,650	\$ 11,246	\$ 40,939	\$ —
Operating lease obligations	45,103	3,535	8,283	8,349	24,936
Finance lease obligations	1,022	624	398	—	—
<b>Total</b>	<b>\$ 103,960</b>	<b>\$ 9,809</b>	<b>\$ 19,927</b>	<b>\$ 49,288</b>	<b>\$ 24,936</b>

<sup>(1)</sup> Royalty payments that we may owe are not included as the amount and timing of such payments is uncertain.

<sup>(2)</sup> Includes the Perceptive Term Loan payments of principal and interest. Interest amounts associated with the Perceptive Term Loan are variable and estimated based on the interest rate in effect on September 30, 2024.

There have been no other significant changes to our future contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

**Off-Balance Sheet Arrangements**

As of September 30, 2024, we have not entered into any off-balance sheet arrangements.

**Critical Accounting Policies and Significant Judgments and Estimates**

In accordance with accounting principles generally accepted in the United States, we are required to make estimates and assumptions that affect the amounts reported in the condensed financial statements and accompanying notes. Certain of these estimates significantly influence the portrayal of our financial condition and results of operations and require us to make difficult, subjective or complex judgments. Our critical accounting policies are described in greater detail below and in Note 2 to our condensed financial statements in Part 1 of this Quarterly Report on Form 10-Q as well as Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on March 1, 2024.

**Revenue Recognition**

We recognize revenue when our customers obtain control of promised goods or services, in an amount that reflects the consideration which we expect to receive in exchange for our goods or services. To determine revenue recognition for our arrangements with our customers, we perform a five-step process, which includes: (i) identifying the contract(s) with a customer; (ii) identifying the performance obligations in the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations in the contract; and (v) recognizing revenue when (or as) we satisfy our performance obligations. The Company generates revenues from (i) Diagnostic Tests and (ii) assay development, testing services, and licensing our technologies (Biopharmaceutical Services and other revenue).

The Company recognizes revenues related to blood-based lung diagnostic billings based on estimates of the amounts ultimately expected to be collected from customers on a portfolio approach. In determining the amount to accrue for a delivered test, the Company considers factors such as test type, payment history, payer coverage, whether there is a reimbursement contract between the payer and the Company, payment as a percentage of agreed upon rate (if applicable), amount paid per test and any current developments or changes that could impact reimbursement. Variable consideration, if any, is estimated based on an analysis of historical experience and adjusted as better estimates become available. These estimates require significant judgment by management.

The Company also provides services to patients with whom the Company does not have contracts as defined in Financial Accounting Standards Board (FASB) Accounting Standards Codification 606 (ASC 606). The Company recognizes revenue for these patients when contracts, as defined in ASC 606, are established at the amount of consideration to which it expects to be entitled, or when the Company receives substantially all of the consideration subsequent to satisfaction and delivery of the performance obligations.

In addition, other revenue includes amounts derived from licensing our PCR technologies to our international laboratory partners. We are compensated through royalty-based payments for the licensed technology and, depending on the nature of the technology licensing arrangements and considering factors including but not limited to enforceable right to payment and payment terms, and if an asset with alternative use is created, these revenues are recognized in the period when royalty-bearing sales occur.

## BIODESIX, INC.

### Notes to Unaudited Condensed Financial Statements

#### Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an “emerging growth company” within the meaning of the Jumpstart Our Business Startups Act (JOBS Act). As an emerging growth company, we may take advantage of certain exemptions from various public company reporting requirements, including the requirement that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), certain requirements related to the disclosure of executive compensation in our periodic reports and proxy statements, the requirement that we hold a nonbinding advisory vote on executive compensation and any golden parachute payments. We may take advantage of these exemptions until we are no longer an emerging growth company. Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, we will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies, which may make comparison of our financials to those of other public companies more difficult.

We will remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year in which we have more than \$1.24 billion in annual revenue; (ii) the date we qualify as a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates; (iii) the date on which we have issued, in any three-year period, more than \$1.0 billion in non-convertible debt securities; and (iv) until December 31, 2025 (the year ended December 31st following the fifth anniversary of our initial public offering).

Additionally, we are a “smaller reporting company” as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which: (i) the market value of our common shares held by non-affiliates exceeds \$250 million as of the end of that year’s second fiscal quarter, or (ii) our annual revenues exceeded \$100 million during such completed fiscal year and the market value of our common shares held by non-affiliates exceeds \$700 million as of the end of that year’s second fiscal quarter.

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

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates.

##### *Interest Rate Risk*

We are exposed to market risk for changes in interest rates related primarily to our cash and cash equivalents, marketable securities and our indebtedness, including our outstanding Perceptive Term Loan. As of September 30, 2024, we had \$40.0 million outstanding on the Perceptive Term Loan Facility which has an annual rate equal to the greater of (a) forward-looking one-month term SOFR as posted by CME Group Inc. and (b) 3.0% per annum, plus an applicable margin of 9.0%. Historically, we have not entered into derivative agreements such as interest rate caps and swaps to manage our floating interest rate exposure.

Periodically throughout the year, we have maintained balances in various operating accounts in excess of federally insured limits. Our cash and cash equivalents are funds held in checking and bank savings accounts, primarily at one U.S. financial institution. We consider all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. We continually monitor our positions with, and the credit quality of, the financial institutions with which we invest.

As of September 30, 2024, a hypothetical 100 basis point increase in interest rates would have an estimated \$0.4 million impact per year on our financial position and results of operations, based on the current Perceptive Term Loan principal remaining outstanding through maturity.

#### Item 4. Controls and Procedures.

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

We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, or Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well



**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures 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.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

There were no changes to our internal control over financial reporting during the three months ended September 30, 2024 that have materially affected, or are reasonable likely to materially effect, our internal controls over financial reporting.

# BIODESIX, INC.

## Notes to Unaudited Condensed Financial Statements

### PART II—OTHER INFORMATION

#### Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings or investigations which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows.

#### Item 1A. Risk Factors.

“Item 1A. Risk Factors” of our Annual Report on Form 10-K as of and for the year ended December 31, 2023, filed March 1, 2024, and subsequent quarterly reports on Form 10-Q, if applicable, include a discussion of our risk factors. The information presented below updates, and should be read in conjunction with, the risk factors and information we previously disclosed and, except as presented below, there have been no material changes from the risk factors described in our Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q. These risk factors may not describe every risk facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could materially and adversely affect our business, financial condition and results of operations.

#### *FDA is phasing out its general policy of enforcement discretion and will regulate laboratory developed tests as medical devices.*

On September 29, 2023, FDA announced a proposed rule to amend its regulations to explicitly regulate laboratory developed tests (LDTs) as in vitro diagnostic tests in accordance with the agency’s regulatory authority over medical devices. The FDA finalized its rule on May 6, 2024 and announced that the agency will phase-out its LDT enforcement discretion policy in gradual stages over a total period of four years. LDTs that fall within targeted enforcement discretion policies may be exempt from some of these requirements.

Under the final rule, our tests that are currently offered as LDTs could become subject to certain statutory and regulatory provisions that are applicable to medical devices, including but not limited to, medical device reporting and correction and removal reporting requirements, quality systems regulations, registration and listing requirements, and premarket review requirements. Laboratories offering “high-risk tests that will be subject to premarket authorization application requirements or licensure under Section 351 of the Public Health Service Act, will need to ensure that the appropriate submission is received by the FDA before November 6, 2027. Laboratories offering “moderate-risk” or “low-risk” tests that will be subject to De Novo authorization or premarket notification submissions will need to ensure that the appropriate submission is received by the FDA before May 6, 2028. Other regulatory requirements will be gradually phased in beginning on May 6, 2025.

Failure to comply with applicable requirements under the relevant timeframes could cause us to lose the ability to perform our tests, experience disruptions to our business, or become subject to administrative or judicial enforcement actions, which in turn may have an adverse impact on our business, financial condition, and results of operations. For more information regarding these risks, see Item 1A “Risk Factors” of Part I of our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on March 1, 2024, under the heading “— Risks Related to our Governmental Regulation—Our current line of diagnostic tests is covered under CLIA and CMS, but the FDA may end its general policy of enforcement discretion and regulate laboratory developed tests as medical devices. Changes in the way the FDA regulates tests performed by laboratories like ours could result in delay or additional expense in offering our tests and tests that we may develop in the future.”

Legal challenges have been filed in federal district court over the agency’s authority to regulate LDTs as medical devices, and the outcome of such litigation and its impact on FDA’s plan to implement the requirements are uncertain. Congress has also considered legislation to establish a new comprehensive regulatory framework that would provide oversight over LDTs.

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

On April 5, 2024, we entered into the Securities Purchase Agreements, pursuant to which we sold 760,857 shares of our Series A Preferred Stock, which, subject to stockholder approval and certain beneficial ownership limitations set by each holder pursuant to the Series A Certificate of Designation, would automatically convert into 40 shares of Common Stock for each share of Series A Preferred Stock, for an aggregate of up to 30,434,280 shares of our common stock and an aggregate purchase price of \$35.0 million. The Private Placement Preferred Shares were offered and sold in transactions exempt from registration under the Securities Act, in reliance on Section 4(a)(2) thereof. Each of the investors represented that it was an “accredited investor,” as defined in Regulation D, and acquired the securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. The Private Placement Preferred Shares have not been registered under the Securities Act and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws. The Company expects to use the net proceeds from the Concurrent Private Placement for commercial expansion of sales, supporting its product pipeline, research and development and for general corporate purposes.

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

In connection with the Concurrent Private Placement, the Company also entered into a Registration Rights Agreement, dated April 5, 2024 (the Registration Rights Agreement), with the Investors, which provides that the Company will register the resale of the shares of Common Stock issuable upon conversion of the Preferred Stock. Pursuant to the Registration Rights Agreement, the Company was required to prepare and file an initial registration statement with the SEC as soon as reasonably practicable, but in no event later than April 23, 2024 (the Filing Deadline), and to use reasonable best efforts to have the registration statement declared effective within 50 days after the closing of the Concurrent Private Placement, subject to the approval of the conversion of the Concurrent Private Placement Shares being received at the Company's 2024 annual meeting of stockholders.

On May 21, 2024, the Company held its 2024 annual meeting of stockholders in which the Conversion Proposal and Issuance Proposal were approved by the Company's stockholders. Upon approval, each share of Series A Preferred Stock automatically converted into 40 shares of Common Stock and, on May 23, 2024, the Company issued 30,434,280 shares of Common Stock in exchange for all Series A Preferred Stock.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None of our directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement during the quarter ended September 30, 2024.

**BIODESIX, INC.**

**Notes to Unaudited Condensed Financial Statements**

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
10.1*	<a href="#">Fourth Amendment to Credit Agreement and Guaranty, dated October 30, 2024, by and between the Company and Perceptive Credit Holdings IV, LP.</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

\*\* Furnished herewith.

\*\*\* Previously filed.



## FOURTH AMENDMENT TO CREDIT AGREEMENT AND GUARANTY

This Fourth Amendment to Credit Agreement and Guaranty (herein, this “*Agreement*”) is entered into as of October 30, 2024 (the “*Fourth Amendment Effective Date*”), by and among BIODESIX, INC., a Delaware corporation (the “*Borrower*”), the Lenders party hereto constituting Majority Lenders and PERCEPTIVE CREDIT HOLDINGS IV, LP, a Delaware limited partnership, as administrative agent for the Lenders (in such capacity, together with its successors and assigns, the “*Administrative Agent*”).

## RECITALS:

A. The Lenders have extended credit to the Borrower on the terms and conditions set forth in that certain Credit Agreement and Guaranty, dated as of November 16, 2022 (as amended pursuant to that certain First Amendment to Credit Agreement and Guaranty, dated as of May 10, 2023, as amended pursuant to that certain Second Amendment to Credit Agreement and Guaranty, dated as of August 4, 2023, as amended pursuant to that certain Third Amendment to Credit Agreement and Guaranty, dated as of February 29, 2024, and as further amended, restated, supplemented or otherwise modified prior to the Fourth Amendment Effective Date, the “*Existing Credit Agreement*”; the Existing Credit Agreement as amended by this Agreement, the “*Credit Agreement*”).

B. The Borrower has requested that the Administrative Agent and the Lenders agree to amend certain provisions of the Existing Credit Agreement.

C. The parties hereto agree to amend the Existing Credit Agreement pursuant to the terms of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. *Incorporation of Recitals; Defined Terms.* The parties hereto acknowledge that the Recitals set forth above are true and correct in all material respects. The defined terms in the Recitals set forth above are hereby incorporated into this Agreement by reference. All other capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

2. *Fourth Amendment to Existing Credit Agreement.* Upon satisfaction of the conditions set forth in Section 5 hereof, the Borrower, the Lenders and the Administrative Agent hereby agree that the Existing Credit Agreement is hereby amended to incorporate the changes reflected in the pages of Annex A hereto. Attached hereto as Annex B is a clean draft incorporating the changes in Annex A.

3. *Acknowledgement of Liens.* The Borrower hereby acknowledges and agrees that the Obligations owing to the Administrative Agent and the Lenders arising out of or in any manner relating to the Loan Documents shall continue to be secured by the Liens granted as security therefor in the Loan Documents, to the extent provided for in the Loan Documents heretofore executed and delivered by the Borrower; and nothing herein contained shall in any manner affect or impair the priority of the Liens created and provided for thereby as to the indebtedness, obligations, and liabilities which would be secured thereby prior to giving effect to this Agreement.

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4. *Representations And Warranties.* In order to induce the Administrative Agent and the Lenders to enter into this Agreement, the Borrower hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(A) After giving effect to this Agreement, the representations and warranties of the Borrower contained in Article 7 of the Credit Agreement and in each other Loan Document shall be true and correct in all material respects on and as of the date hereof; *provided* that to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided further* that any representation and warranty that is qualified as to “materiality”, “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates.

(B) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of, and duly executed and delivered by, the Borrower.

(C) No Default or Event of Default has occurred and is continuing or shall occur and be continuing immediately after giving effect to this Agreement.

5. *Conditions Precedent.* The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(A) The Agent and the Lenders shall have received executed counterparts of this Agreement and the Fourth Amended and Restated Fee Letter, dated as of the date hereof, in each case, duly executed and delivered by the Borrower.

6. *Reference to and Effect on the Loan Documents; No Novation.*

(A) This Agreement constitutes a Loan Document. On and after the date hereof, words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement after giving effect to this Agreement.

(B) Except as specifically set forth in this Agreement, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(C) Except as expressly set forth in this Agreement, the Loan Documents and all of the obligations of the Loan Parties thereunder and the rights and benefits of the Administrative Agent and the Lenders thereunder remain in full force and effect. This Agreement is not a novation nor is it to be construed as a release, waiver or modification of any of the terms, conditions, representations, warranties, covenants, rights or remedies set forth in the Loan Documents, except as specifically set forth herein. Without limiting the foregoing, the Loan Parties agree to comply with all of the terms, conditions, and provisions of the Loan Documents except to the extent such compliance is irreconcilably inconsistent with the express provisions of this Agreement. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement entered into in accordance with Section 13.04 of the Credit Agreement. THIS AGREEMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENTS THE ENTIRE

AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF AND SUPERSEDE ANY AND ALL PREVIOUS AGREEMENTS AND UNDERSTANDINGS, ORAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF.

7. *Headings.* The headings in this Agreement are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

8. *Governing Law.* THIS AGREEMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, AND ALL CLAIMS, DISPUTES AND MATTERS ARISING HEREUNDER OR RELATED HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS EXECUTED IN AND TO BE PERFORMED ENTIRELY WITHIN THAT STATE, WITHOUT REFERENCE TO CONFLICTS OF LAWS PROVISIONS (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

9. *Incorporation of Sections 13.10 and 13.11 of the Credit Agreement.* The provisions set forth in Sections 13.10 (Jurisdiction, Service of Process and Venue) and 13.11 (Waiver of Jury Trial) of the Credit Agreement shall apply to this Agreement in all respects.

10. *Counterparts.* This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. Delivery of an executed signature page of this Agreement by facsimile transmission, electronic transmission (in PDF format) or DocuSign shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

11. *Severability.* If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by applicable Law the parties agree that such invalidity or unenforceability shall not impair the validity or enforceability of any other provision hereof.

12. *Binding Effect.* This Agreement will be binding upon and inure to the benefit of and is enforceable by the respective successors and permitted assigns of the parties hereto.

[SIGNATURE PAGES TO FOLLOW]





PERCEPTIVE CREDIT HOLDINGS IV, LP,  
as Agent and Lender

By: Perceptive Credit Opportunities GP, LLC, its general partner

By: /s/ SANDEEP DIXIT  
Name: Sandeep Dixit  
Title: Chief Credit Officer

By: /s/ SAM CHAWLA  
Name: Sam Chawla  
Title: Portfolio Manager

[Signature Page to Fourth Amendment to Credit Agreement and Guaranty]

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**ANNEX A**

**Conformed Credit Agreement  
(Fourth Amendment – Marked Version)**

See attached.

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**ANNEX B**

**Conformed Credit Agreement  
(Fourth Amendment – Clean Version)**

See attached.

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

In connection with the Quarterly Report of Biodesix, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 1, 2024

By:

/s/ Scott Hutton

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Scott Hutton  
Chief Executive Officer

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

In connection with the Quarterly Report of Biodesix, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: November 1, 2024

By:

/s/ Robin Harper Cowie

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Robin Harper Cowie  
Chief Financial Officer



