Table of Contents

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: 001-36536

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

Delaware	**94-3316839**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

8000 Marina Boulevard, 4th Floor
Brisbane, California 94005
(Address of principal executive offices and zip code)

(415) 287-2300
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value $0.001 per share	CDNA	The Nasdaq Stock Market LLC

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the 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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

There were 53,633,871 shares of the registrant's Common Stock issued and outstanding as of October 31, 2024.

CareDx, Inc.
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CareDx, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except share data)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 95,400	$ 82,197
Marketable securities	145,453	153,221
Accounts receivable	66,627	51,061
Inventory	19,263	19,471
Prepaid and other current assets	7,344	7,763
Total current assets	334,087	313,713
Property and equipment, net	34,015	35,246
Operating leases right-of-use assets	25,823	29,891
Intangible assets, net	40,361	45,701
Goodwill	40,336	40,336
Restricted cash	592	586
Other assets	1,771	1,353
Total assets	$ 476,985	$ 466,826
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,239	$ 12,872
Accrued compensation	29,915	19,703
Accrued and other liabilities	45,286	45,497
Total current liabilities	81,440	78,072
Deferred tax liability	202	136
Deferred payments for intangible assets	1,310	2,461
Operating lease liability, less current portion	23,841	28,278
Other liabilities	96,946	96,551
Total liabilities	203,739	205,498
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock: $0.001 par value; 10,000,000 shares authorized at September 30, 2024 and December 31, 2023; no shares issued and outstanding at September 30, 2024 and December 31, 2023	—	—
Common stock: $0.001 par value; 100,000,000 shares authorized at September 30, 2024 and December 31, 2023; 53,106,871 and 51,503,377 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	50	49
Additional paid-in capital	984,627	946,511
Accumulated other comprehensive loss	(7,179)	(6,963)
Accumulated deficit	(704,252)	(678,269)
Total stockholders' equity	273,246	261,328
Total liabilities and stockholders' equity	$ 476,985	$ 466,826

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

CareDx, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue:				
Testing services revenue	$ 60,807	$ 47,784	$ 185,562	$ 162,982
Product revenue	10,212	9,536	29,416	24,273
Patient and digital solutions revenue	11,864	9,872	32,228	27,500
Total revenue	82,883	67,192	247,206	214,755
Operating expenses:				
Cost of testing services	13,447	13,217	41,387	43,837
Cost of product	6,212	4,750	17,801	12,742
Cost of patient and digital solutions	7,913	6,566	22,264	19,807
Research and development	17,486	19,000	55,875	63,590
Sales and marketing	19,802	18,474	60,634	63,335
General and administrative	28,515	33,968	83,104	91,327
Restructuring costs	—	—	68	848
Total operating expenses	93,375	95,975	281,133	295,486
Loss from operations	(10,492)	(28,783)	(33,927)	(80,731)
Other income:				
Interest income, net	3,001	3,171	8,712	8,708
Change in estimated fair value of common stock warrant liability	—	—	—	10
Other income (expense), net	283	2,047	(107)	(198)
Total other income	3,284	5,218	8,605	8,520
Loss before income taxes	(7,208)	(23,565)	(25,322)	(72,211)
Income tax (expense) benefit	(200)	80	(139)	24
Net loss	$ (7,408)	$ (23,485)	$ (25,461)	$ (72,187)
Net loss per share (Note 3):				
Basic	$ (0.14)	$ (0.43)	$ (0.49)	$ (1.34)
Diluted	$ (0.14)	$ (0.43)	$ (0.49)	$ (1.34)
Weighted-average shares used to compute net loss per share:				
Basic	52,903,338	54,178,759	52,266,106	53,891,374
Diluted	52,903,338	54,178,759	52,266,106	53,891,374

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

CareDx, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	$ (7,408)	$ (23,485)	$ (25,461)	$ (72,187)
Other comprehensive gain (loss):				
Foreign currency translation adjustment, net of tax	785	(220)	(216)	(1,167)
Comprehensive loss	$ (6,623)	$ (23,705)	$ (25,677)	$ (73,354)

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

CareDx, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	51,503,377	$ 49	$ 946,511	$ (6,963)	$ (678,269)	$ 261,328
Issuance of common stock under employee stock purchase plan	73,759	—	532	—	—	532
Repurchase and retirement of common stock	(55,500)	—	—	—	(522)	(522)
RSU settlements, net of shares withheld	252,662	—	(668)	—	—	(668)
Issuance of common stock for services	6,813	—	56	—	—	56
Issuance of common stock for cash upon exercise of stock options	1,501	—	8	—	—	8
Employee stock-based compensation expense	—	—	13,295	—	—	13,295
Foreign currency translation adjustment, net of tax	—	—	—	(1,145)	—	(1,145)
Net loss	—	—	—	—	(16,659)	(16,659)
Balance at March 31, 2024	51,782,612	49	959,734	(8,108)	(695,450)	256,225
RSU settlements, net of shares withheld	811,360	1	(3,601)	—	—	(3,600)
Issuance of common stock for services	4,935	—	49	—	—	49
Issuance of common stock for cash upon exercise of stock options	18,536	—	123	—	—	123
Employee stock-based compensation expense	—	—	13,122	—	—	13,122
Foreign currency translation adjustment, net of tax	—	—	—	144	—	144
Net loss	—	—	—	—	(1,394)	(1,394)
Balance at June 30, 2024	52,617,443	50	969,427	(7,964)	(696,844)	264,669
Issuance of common stock under employee stock purchase plan	85,260	—	865	—	—	865
RSU settlements, net of shares withheld	208,508	—	(2,577)	—	—	(2,577)
Issuance of common stock for services	3,997	—	48	—	—	48
Issuance of common stock for cash upon exercise of stock options	191,663	—	3,191	—	—	3,191
Employee stock-based compensation expense	—	—	13,673	—	—	13,673
Foreign currency translation adjustment, net of tax	—	—	—	785	—	785
Net loss	—	—	—	—	(7,408)	(7,408)
Balance at September 30, 2024	53,106,871	$ 50	$ 984,627	$ (7,179)	$ (704,252)	$ 273,246

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

CareDx, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2022	53,533,250	$ 52	$ 898,806	$ (7,503)	$ (460,444)	$ 430,911
Issuance of common stock under employee stock purchase plan	47,025	—	456	—	—	456
Repurchase and retirement of common stock	(59,472)	—	—	—	(690)	(690)
RSU settlements, net of shares withheld	123,910	—	(785)	—	—	(785)
Issuance of common stock for services	7,649	—	93	—	—	93
Issuance of common stock for cash upon exercise of stock options	820	—	2	—	—	2
Employee stock-based compensation expense	—	—	13,719	—	—	13,719
Foreign currency translation adjustment, net of tax	—	—	—	64	—	64
Net loss	—	—	—	—	(23,749)	(23,749)
Balance at March 31, 2023	53,653,182	52	912,291	(7,439)	(484,883)	420,021
Repurchase and retirement of common stock	(12,000)	—	—	—	(67)	(67)
RSU settlements, net of shares withheld	362,710	—	(1,508)	—	—	(1,508)
Issuance of common stock for services	3,647	—	36	—	—	36
Issuance of common stock for cash upon exercise of stock options	2,930	—	6	—	—	6
Issuance of common stock upon exercise of warrants	3,132	—	26	—	—	26
Employee stock-based compensation expense	—	—	12,663	—	—	12,663
Foreign currency translation adjustment, net of tax	—	—	—	(1,011)	—	(1,011)
Net loss	—	—	—	—	(24,953)	(24,953)
Balance at June 30, 2023	54,013,601	52	923,514	(8,450)	(509,903)	405,213
Issuance of common stock under employee stock purchase plan	143,816	—	1,039	—	—	1,039
Repurchase and retirement of common stock	(92,766)	—	—	—	(814)	(814)
RSU settlements, net of shares withheld	64,879	—	(355)	—	—	(355)
Issuance of common stock for services	4,513	—	37	—	—	37
Issuance of common stock for cash upon exercise of stock options	19,453	—	99	—	—	99
Employee stock-based compensation expense	—	—	12,620	—	—	12,620
Foreign currency translation adjustment, net of tax	—	—	—	(220)	—	(220)
Net loss	—	—	—	—	(23,485)	(23,485)
Balance at September 30, 2023	54,153,496	$ 52	$ 936,954	$ (8,670)	$ (534,202)	$ 394,134

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

CareDx, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2024	**2023**
Operating activities:		
Net loss	$ (25,461)	$ (72,187)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock-based compensation	40,208	39,125
Depreciation and amortization	10,833	10,755
Asset impairments and write-downs	—	1,000
Amortization of right-of-use assets	4,236	4,020
Unrealized loss on long-term marketable equity securities	—	1,185
Revaluation of contingent consideration to estimated fair value	761	1,731
Loss on disposal of asset	—	37
Gain on settlement of obligation and recovery of written-off investment	—	(2,109)
Amortization of premium and accretion of discount on short-term marketable securities, net	1,177	(3,410)
Revaluation of common stock warrant liability to estimated fair value	—	(10)
Changes in operating assets and liabilities:		
Accounts receivable	(15,550)	15,351
Inventory	294	758
Prepaid and other assets	(315)	2,542
Operating lease liabilities, net	(4,425)	(4,088)
Accounts payable	(6,699)	(990)
Accrued compensation	10,239	(336)
Accrued and other liabilities	804	(3,462)
Change in deferred taxes	57	81
Net cash provided by (used in) operating activities	16,159	(10,007)
Investing activities:		
Acquisitions of business, net of cash acquired	—	(6,682)
Acquisitions of intangible assets	—	(896)
Purchases of short-term marketable securities	(143,185)	(192,131)
Maturities of short-term marketable securities	149,775	206,503
Purchase of corporate equity securities	—	(965)
Additions of capital expenditures	(4,962)	(6,750)
Net cash provided by (used in) investing activities	1,628	(921)
Financing activities:		
Proceeds from issuance of common stock under employee stock purchase plan	1,397	1,495
Taxes paid related to net share settlement of restricted stock units	(6,525)	(2,514)
Proceeds from exercise of warrants	—	4
Proceeds from exercise of stock options	3,322	107
Payment of contingent consideration on acquisitions	(2,375)	(250)
Repurchase and retirement of common stock	(522)	(1,571)
Net cash used in financing activities	(4,703)	(2,729)
Effect of exchange rate changes on cash and cash equivalents	125	(224)
Net increase (decrease) in cash, cash equivalents and restricted cash	13,209	(13,881)
Cash, cash equivalents and restricted cash at beginning of period	82,783	90,443
Cash, cash equivalents and restricted cash at end of period	$ 95,992	$ 76,562

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

CareDx, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

CareDx, Inc. ("CareDx" or the "Company"), together with its subsidiaries, is a leading precision medicine company focused on the discovery, development and commercialization of clinically differentiated, high-value diagnostic solutions for transplant patients and caregivers. The Company's headquarters are in Brisbane, California. The primary operations are in Brisbane, California; Omaha, Nebraska; Fremantle, Australia; and Stockholm, Sweden.

The Company's commercially available testing services consist of AlloSure® Kidney, a donor-derived cell-free DNA ("dd-cfDNA") solution for kidney transplant patients, AlloMap® Heart, a gene expression solution for heart transplant patients, AlloSure® Heart, a dd-cfDNA solution for heart transplant patients, and AlloSure® Lung, a dd-cfDNA solution for lung transplant patients. The Company has initiated several clinical studies to generate data on its existing and planned future testing services. In April 2020, the Company announced its first biopharma research partnership for AlloCell, a surveillance solution that monitors the level of engraftment and persistence of allogeneic cells for patients who have received cell therapy transplants. The Company also offers high-quality products that increase the chance of successful transplants by facilitating a better match between a donor and a recipient of stem cells and organs. The Company also provides digital solutions to transplant centers following the acquisitions of Ottr Complete Transplant Management ("Ottr") and XynManagement, Inc. ("XynManagement"), as well as the acquisitions of TransChart LLC ("TransChart"), MedActionPlan.com, LLC ("MedActionPlan") and The Transplant Pharmacy, LLC ("TTP") in 2021, HLA Data Systems, LLC ("HLA Data Systems") in January 2023 and MediGO, Inc. ("MediGO") in July 2023.

Testing Services

AlloSure Kidney has been a covered service for Medicare beneficiaries since October 2017 through a Local Coverage Determination ("LCD"), first issued by Palmetto MolDX ("MolDX"), which was formed to identify and establish coverage and reimbursement for molecular diagnostics tests, and then adopted by Noridian Healthcare Solutions, the Company's Medicare Administrative Contractor ("Noridian"). The Medicare reimbursement rate for AlloSure Kidney is currently $2,841.

AlloMap Heart has been a covered service for Medicare beneficiaries since January 2006. The Medicare reimbursement rate for AlloMap Heart is currently $3,240. In October 2020, the Company received a final MolDX Medicare coverage decision for AlloSure Heart. In November 2020, Noridian issued a parallel coverage policy granting coverage for AlloSure Heart when used in conjunction with AlloMap Heart, which became effective in December 2020. In 2021, Palmetto and Noridian issued coverage policies written by MolDX to replace the former product-specific policies. The foundational LCD is titled "MolDX: Molecular Testing for Solid Organ Allograft Rejection" and the associated LCD numbers are L38568 (MolDX) and L38629 (Noridian). The Medicare reimbursement rate for AlloSure Heart is currently $2,753. Effective May 9, 2023, AlloSure Lung is covered for Medicare beneficiaries through the same MolDX LCD (Noridian L38629). The Medicare reimbursement rate for AlloSure Lung is $2,753. Effective April 1, 2023, HeartCare, a multimodality testing service that includes both AlloMap Heart and AlloSure Heart provided in a single patient encounter for heart transplant surveillance, is covered, subject to certain limitations, for Medicare beneficiaries through the same MolDX LCD (Noridian L38629). The Medicare reimbursement rate for HeartCare is $5,993.

AlloSure Kidney has received positive coverage decisions from several commercial payers, and is reimbursed by other private payers on a case-by-case basis. AlloMap Heart has also received positive coverage decisions for reimbursement from many of the largest U.S. private payers.

In May 2021 and March 2023, the Company purchased a minority investment of common stock in the biotechnology company Miromatrix Medical, Inc. ("Miromatrix") for an aggregate amount of $5.1 million, and the investment was marked to market. Miromatrix works to eliminate the need for an organ transplant waiting list through the development of implantable engineered biological organs. In December 2023, Miromatrix was acquired by United Therapeutics Corporation.

Clinical Studies

In January 2018, the Company initiated the Kidney Allograft Outcomes AlloSure Kidney Registry study ("K-OAR") to develop additional data on the clinical utility of AlloSure Kidney for surveillance of kidney transplant recipients. K-OAR is a multicenter, non-blinded, prospective observational cohort study which has enrolled more than 1,900 renal transplant patients who will receive AlloSure Kidney long-term surveillance.

In September 2018, the Company initiated the Surveillance HeartCare™ Outcomes Registry ("SHORE"). SHORE is a prospective, multi-center, observational registry of patients receiving HeartCare for surveillance. HeartCare combines the gene expression profiling technology of AlloMap Heart with the dd-cfDNA analysis of AlloSure® Heart in one surveillance solution.

In September 2019, the Company announced the commencement of the Outcomes of KidneyCare on Renal Allografts ("OKRA") study, which is an extension of K-OAR. OKRA is a prospective, multi-center, observational, registry of patients receiving KidneyCare for surveillance. KidneyCare combines the dd-cfDNA analysis of AlloSure Kidney with the gene expression profiling technology of AlloMap Kidney and the predictive artificial intelligence technology of iBox for a multimodality surveillance solution. The Company has not yet made any applications to private payers for reimbursement coverage of AlloMap Kidney or KidneyCare.

In December 2021, the Company initiated the ALAMO study. ALAMO is a multicenter observational study and focuses on surveillance in lung transplant recipients within the first post-transplant year. Beyond demonstrating the clinical validity of AlloSure in detecting Acute Lung Allograft Dysfunction, a composite outcome of acute rejection and clinically meaningful infections, the study explores its clinical utility by capturing clinician decision-making processes to further demonstrate the practical clinical application of AlloSure. In addition, the study will collect samples to enable development of AlloMap Lung.

Products

The Company's suite of AlloSeq products are commercial next generation sequencing ("NGS")-based kitted solutions. These products include: AlloSeq™ Tx, a high-resolution Human Leukocyte Antigen ("HLA") typing solution, AlloSeq™ cfDNA, a surveillance solution designed to measure dd-cfDNA in blood to detect active rejection in transplant recipients, and AlloSeq™ HCT, a solution for chimerism testing for stem cell transplant recipients.

The Company's other HLA typing products include: Olerup SSP®, based on the sequence specific primer ("SSP") technology; and QTYPE®, which uses real-time polymerase chain reaction ("PCR") methodology.

In March 2021, the Company acquired certain assets of BFS Molecular S.R.L. ("BFS Molecular"), a software company focused on NGS-based patient testing solutions. BFS Molecular brings extensive software and algorithm development capabilities for NGS transplant surveillance products.

Patient and Digital Solutions

Following the acquisitions of both Ottr and XynManagement, the Company is a leading provider of transplant patient management software ("Ottr software"), as well as of transplant quality tracking and waitlist management solutions. Ottr software provides comprehensive solutions for transplant patient management and enables integration with electronic medical record ("EMR") systems providing patient surveillance management tools and outcomes data to transplant centers. XynManagement provides two unique solutions, XynQAPI software ("XynQAPI") and XynCare. XynQAPI simplifies transplant quality tracking and Scientific Registry of Transplant Recipients reporting. XynCare includes a team of transplant assistants who maintain regular contact with patients on the waitlist to help prepare for their transplant and maintain eligibility.

In September 2020, the Company launched AlloCare, a mobile app that provides a patient-centric resource for transplant recipients to manage medication adherence, coordinate with Patient Care Managers for AlloSure scheduling and measure health metrics.

In January 2021, the Company acquired TransChart. TransChart provides EMR software to hospitals throughout the U.S. to care for patients who have or may need an organ transplant. As part of the Company's acquisition of TransChart in January 2021, the Company acquired TxAccess, a cloud-based service that allows nephrologists and dialysis centers to electronically submit referrals to transplant programs and closely follow and assist patients through the transplant waitlist process and, ultimately, through transplantation.

In June 2021, the Company acquired the Transplant Hero patient application. The application helps patients manage their medications through alarms and interactive logging of medication events.

Also in June 2021, the Company entered into a strategic agreement with OrganX, which was amended in April 2022, to develop clinical decision support tools across the transplant patient journey. Together, the Company and OrganX will develop advanced analytics that integrate AlloSure with large transplant databases to provide clinical data solutions. This partnership delivers the next level of innovation by incorporating a variety of clinical inputs to create a universal composite scoring system. The Company has agreed to potential future milestone payments.

In November 2021, the Company acquired MedActionPlan, a New Jersey-based provider of medication safety, medication adherence and patient education. MedActionPlan is a leader in patient medication management for transplant patients and beyond.

In December 2021, the Company acquired TTP, a transplant-focused pharmacy located in Mississippi. TTP provides individualized transplant pharmacy services for patients at multiple transplant centers located throughout the U.S.

In January 2023, the Company acquired HLA Data Systems, a Texas-based company that provides software and interoperability solutions for the histocompatibility and immunogenetics community. HLA Data Systems is a leader in the laboratory information management industry for human leukocyte antigen laboratories.

In July 2023, the Company acquired MediGO, an organ transplant supply chain and logistics company. MediGO provides access to donated organs by digitally transforming donation and transplantation workflows to increase organ utilization.

Liquidity and Capital Resources

The Company has incurred significant losses and negative cash flows from operations since its inception and had an accumulated deficit of $704.3 million at September 30, 2024. As of September 30, 2024, the Company had cash, cash equivalents and marketable securities of $240.9 million and no debt outstanding.

Shelf Registration Statement

On May 10, 2023, the Company filed a universal shelf registration statement (File No. 333-271814) (the "Registration Statement"), and thereafter filed post-effective amendments on May 9, 2024 and May 23, 2024. The Securities and Exchange Commission ("SEC") declared the Registration Statement effective on May 23, 2024, and as a result, the Company can sell from time to time up to $250.0 million of shares of its common stock, preferred stock, debt securities, warrants, units or rights comprised of any combination of these securities, for the Company's own account in one or more offerings under the Registration Statement. The terms of any offering under the Registration Statement will be established at the time of such offering and will be described in a prospectus supplement to the Registration Statement filed with the SEC prior to the completion of any such offering.

Stock Repurchase Program

On December 3, 2022, the Company's Board of Directors approved a stock repurchase program (the "Repurchase Program"), whereby the Company may purchase up to $50 million of shares of its common stock over a period of up to two years, commencing on December 8, 2022. The Repurchase Program may be carried out at the discretion of a committee of the Company's Board of Directors through open market purchases, one or more Rule 10b5-1 trading plans and block trades and in privately negotiated transactions. During the nine months ended September 30, 2024, the Company purchased an aggregate of 55,500 shares of its common stock under the Repurchase Program for an aggregate purchase price of $0.5 million. There were no repurchases during the three months ended September 30, 2024. As of September 30, 2024, $21.4 million remained available for future share repurchases under the Repurchase Program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and estimates used in the preparation of the unaudited condensed consolidated financial statements are described in the Company's audited consolidated financial statements as of and for the year ended December 31, 2023, and the notes thereto, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"), and follow the requirements of the SEC for interim reporting. As permitted under those rules, certain notes and other financial information that are normally required by U.S. GAAP can be condensed or omitted. These unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments that are necessary for a fair statement of the Company's financial information. The condensed consolidated balance sheet as of December 31, 2023 has been derived from audited consolidated financial statements as of that date but does not include all of the financial information required by U.S. GAAP for complete financial statements. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses in the unaudited condensed consolidated financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates, including those related to transaction price estimates used for testing services revenue; standalone fair value of patient and digital solutions revenue performance obligations; accrued expenses for clinical studies; inventory valuation; the fair value of assets and liabilities acquired in a

business combination or an asset acquisition (including identifiable intangible assets acquired); the fair value of contingent consideration recorded in connection with a business combination or an asset acquisition; the grant date fair value assumptions used to estimate stock-based compensation expense; income taxes; impairment of long-lived assets and indefinite-lived assets (including goodwill); and legal contingencies. Actual results could differ from those estimates.

Concentrations of Credit Risk and Other Risks and Uncertainties

For the three months ended September 30, 2024 and 2023, approximately 37% and 36%, respectively, of total revenue was derived from Medicare. For the nine months ended September 30, 2024 and 2023, approximately 38% and 41%, respectively, of total revenue was derived from Medicare.

As of September 30, 2024 and December 31, 2023, approximately 27% and 36%, respectively, of accounts receivable was due from Medicare. No other payer or customer represented more than 10% of accounts receivable at either September 30, 2024 or December 31, 2023.

Marketable Securities

The Company considers all highly liquid investments in securities with a maturity of greater than three months at the time of purchase to be marketable securities. As of September 30, 2024, the Company's short-term marketable securities consisted of corporate debt securities with maturities of greater than three months but less than 12 months at the time of purchase, which were classified as current assets on the condensed consolidated balance sheets.

The Company classifies its short-term marketable securities as held-to-maturity at the time of purchase and reevaluates such designation at each balance sheet date. The Company has the positive intent and ability to hold these marketable securities to maturity. Short-term marketable securities are carried at amortized cost and are adjusted for amortization of premiums and accretion of discounts to maturity, which is included in interest income, net, on the condensed consolidated statements of operations. Realized gains and losses and declines in value judged to be other-than-temporary, if any, on short-term marketable securities are included in interest income, net. The cost of securities sold is determined using specific identification.

The Company records its long-term marketable equity securities at fair market value. Unrealized gains and losses from the remeasurement of the long-term marketable equity securities to fair value are included in other income (expense), net, on the condensed consolidated statements of operations.

Leases

The Company determines if an arrangement is or contains a lease at contract inception. A right-of-use ("ROU") asset, representing the underlying asset during the lease term, and a lease liability, representing the payment obligation arising from the lease, are recognized on the condensed consolidated balance sheets at lease commencement based on the present value of the payment obligation. For operating leases, expense is recognized on a straight-line basis over the lease term. For finance leases, interest expense on the lease liability is recognized using the effective interest method and amortization of the ROU asset is recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The Company also has lease arrangements with lease and non-lease components. The Company elected the practical expedient not to separate non-lease components from lease components for the Company's facility leases. The Company also elected to apply the short-term lease measurement and recognition exemption in which ROU assets and lease liabilities are not recognized for leases with an initial term of 12 months or less.

The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its incremental borrowing rate. The incremental borrowing rate is determined by using the rate of interest that the Company would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment.

As of September 30, 2024, the Company's leases had remaining terms of 0.58 years to 8.34 years, some of which include options to extend the lease term.

Revenue

The Company recognizes revenue from testing services, product sales and patient and digital solutions revenue in the amount that reflects the consideration that it expects to be entitled in exchange for goods or services as it transfers control to its customers. Revenue is recorded considering a five-step revenue recognition model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when, or as, an entity satisfies a performance obligation.

Testing Services Revenue

AlloSure Kidney, AlloMap Heart, AlloSure Heart and AlloSure Lung patient tests are ordered by healthcare providers. The Company receives a test requisition form with payer information along with a collected patient blood sample. The Company considers the patient to be its customer and the test requisition form to be the contract. Testing services are performed in the Company's laboratory. Testing services represent one performance obligation in a contract and are performed when results of the test are provided to the healthcare provider, at a point in time.

The healthcare providers that order the tests and on whose behalf the Company provides testing services are generally not responsible for the payment of these services. The first and second revenue recognition criteria are satisfied when the Company receives a test requisition form with payer information from the healthcare provider. Generally, the Company bills third-party payers upon delivery of an AlloSure Kidney, AlloMap Heart, AlloSure Heart or AlloSure Lung test result to the healthcare provider. Amounts received may vary amongst payers based on coverage practices and policies of the payer. The Company has used the portfolio approach under ASC Topic 606, *Revenue from Contracts with Customers*, to identify financial classes of payers. Revenue recognized for Medicare and other contracted payers is based on the agreed current reimbursement rate per test, adjusted for historical collection trends where applicable. The Company estimates revenue for non-contracted payers and self-payers using transaction prices determined for each financial class of payers using history of reimbursements. This includes analysis of an average reimbursement per test and a percentage of tests reimbursed. These estimates require significant judgment.

The Company monitors revenue estimates at each reporting period based on actual cash collections in order to assess whether a revision to the estimate is required. Changes in transaction price estimates are updated quarterly based on actual cash collected or changes made to contracted rates, the Company's discussions with payers, and other pertinent information. In addition, consistent with *ASC 606-10-25-1,* the Company continues to assess whether it is probable that it will collect substantially all of the consideration to which it will be entitled when determining if a contract with a customer exists.

Product Revenue

Product revenue is recognized from the sale of products to end-users, distributors and strategic partners when all revenue recognition criteria are satisfied. The Company generally has a contract or a purchase order from a customer with the specified required terms of order, including the number of products ordered. Transaction prices are determinable in the contract. The products are delivered and risk of loss passed to the customer upon either shipping or delivery, as per the terms of the agreement. There are no further performance obligations related to a contract and revenue is recognized at the point of delivery consistent with the terms of the contract or purchase order.

Patient and Digital Solutions Revenue

Patient and digital solutions revenue is primarily derived from a combination of software as a service ("SaaS") and perpetual software license agreements entered into with various transplant centers, which are the Company's customers for this class of revenue. The main performance obligations in connection with the Company's SaaS and perpetual software license agreements are the following: (i) implementation services and delivery of the perpetual software license, which are considered a single performance obligation, and (ii) post contract support. The Company allocates the transaction price to each performance obligation based on relative stand-alone selling prices of each distinct performance obligation. Digital revenue in connection with perpetual software license agreements is recognized over time based on the Company's satisfaction of each distinct performance obligation in each agreement.

Perpetual software license agreements typically require advance payments from customers upon the achievement of certain milestones. The Company records deferred revenue in relation to these agreements when cash payments are received or invoices are issued in advance of the Company's performance, and generally recognizes revenue over the contractual term, as performance obligations are fulfilled.

In addition, the Company derives patient and digital solutions revenue from software subscriptions and medication sales. The Company generally bills software subscription fees in advance. Revenue from software subscriptions is deferred and recognized ratably over the subscription term. The medication sales revenue is recognized based on the negotiated contract price with the governmental, commercial and non-commercial payers with any applicable patient co-pay. The Company recognizes revenue from medication sales when prescriptions are delivered.

Recent Accounting Pronouncements

There were no recently adopted accounting standards which had a material effect on the Company's condensed consolidated financial statements and accompanying disclosures.

Effective in Future Periods

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires enhanced disclosure of significant segment expenses. All current annual disclosures about a reportable segment's profit or loss and assets will also be required in interim periods. The new guidance also requires disclosure of the title and position of the Chief Operating Decision Maker ("CODM") and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The amendments set forth in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments should be applied retrospectively to all prior periods presented in the financial statements. This ASU will be effective for the Company's annual disclosures in fiscal year 2024 and interim-period disclosures in fiscal year 2025. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 340): Improvements to Income Tax Disclosures*, which requires annual disclosures in the rate reconciliation table to be presented using both percentages and reporting currency amounts, and this table must include disclosure of specific categories. Additional information will also be required for reconciling items that meet a quantitative threshold. The new guidance also requires enhanced disclosures of income taxes paid, including the amount of income taxes paid disaggregated by federal, state and foreign taxes and the amount of income taxes paid disaggregated by individual jurisdictions that exceed a quantitative threshold. The amendments should be applied on a prospective basis, but retrospective application is permitted. The amendments set forth in this ASU are effective for annual periods beginning after December 15, 2024 for public entities. This guidance will be effective for the Company's annual disclosures in fiscal year 2025. The Company is currently evaluating the potential effect that the updated standard will have on its financial statement disclosures.

3. NET LOSS PER SHARE

Basic and diluted net loss per share have been computed by dividing the net loss by the weighted-average number of common shares outstanding during the period, without consideration of common share equivalents as their effect would have been antidilutive.

The following tables set forth the computation of the Company's basic and diluted net loss per share (in thousands, except shares and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net loss used to compute basic and diluted net loss per share	$ (7,408)	$ (23,485)	$ (25,461)	$ (72,187)
Denominator:				
Weighted-average shares used to compute basic and diluted net loss per share	52,903,338	54,178,759	52,266,106	53,891,374
Net loss per share:				
Basic and diluted	$ (0.14)	$ (0.43)	$ (0.49)	$ (1.34)

The following potentially dilutive securities have been excluded from diluted net loss per share as of September 30, 2024 and 2023 because their effect would be antidilutive:

	Three and Nine Months Ended September 30,	
	2024	2023
Outstanding common stock options	3,741,694	3,167,977
Outstanding restricted stock units	6,418,992	4,977,616
Total common stock equivalents	10,160,686	8,145,593

4. FAIR VALUE MEASUREMENTS

The Company records its financial assets and liabilities at fair value. The carrying amounts of certain financial instruments of the Company, including cash and cash equivalents, prepaid expenses and other current assets, accounts payable and accrued

liabilities, approximate fair value due to their relatively short maturities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

- Level 1: Inputs that include quoted prices in active markets for identical assets and liabilities.
- Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table sets forth the Company's financial assets and liabilities, measured at fair value on a recurring basis, as of September 30, 2024 and December 31, 2023 (in thousands):

	September 30, 2024			
	Fair Value Measured Using			
	(Level 1)	(Level 2)	(Level 3)	Total Balance
Assets				
Cash equivalents:				
Money market funds	$ 50,366	$ —	$ —	$ 50,366
Total	$ 50,366	$ —	$ —	$ 50,366
Liabilities				
Short-term liabilities:				
Contingent consideration	$ —	$ —	$ 4,537	$ 4,537
Long-term liabilities:				
Contingent consideration	—	—	1,310	1,310
Total	$ —	$ —	$ 5,847	$ 5,847

	December 31, 2023			
	Fair Value Measured Using			
	(Level 1)	(Level 2)	(Level 3)	Total Balance
Assets				
Cash equivalents:				
Money market funds	$ 60,525	$ —	$ —	$ 60,525
Total	$ 60,525	$ —	$ —	$ 60,525
Liabilities				
Short-term liabilities:				
Contingent consideration	$ —	$ —	$ 5,469	$ 5,469
Long-term liabilities:				
Contingent consideration	—	—	2,461	2,461
Total	$ —	$ —	$ 7,930	$ 7,930

The following table presents the issuances, exercises, changes in fair value and reclassifications of the Company's Level 3 financial instruments that are measured at fair value on a recurring basis (in thousands):

	(Level 3)
Contingent Consideration	
Balance as of December 31, 2023	$ 7,930
Change in estimated fair value of contingent consideration on business combination	761
Change in estimated fair value of contingent consideration on asset acquisition	(469)
Payments related to contingent consideration	(2,375)
Balance as of September 30, 2024	$ 5,847

During March 2023, the Company wrote off $1.0 million of its investment in convertible preferred shares of Cibiltech SAS (“Cibiltech”), which was carried at cost. Cibiltech’s operations have been liquidated. The fair value of this investment was based on Level 3 inputs.

In July 2023, the Company entered into a Securities Holders’ Agreement (the “Agreement”) with a private entity based in France. The private entity was established to continue Cibiltech's activity, which consists of designing, developing, publishing, promoting, distributing, and marketing of software related to predictive solutions, monitoring and/or remote monitoring in the field of human organ allotransplantation, allografting, and chronic organ diseases. The private entity retained all assets of Cibiltech, including its licenses. Pursuant to the Agreement, the Company agreed to invest a certain amount in the private entity, in order to continue the commercialization of the iBox technology. The Company's investment is in the form of ordinary and Class B shares carried at cost. This investment is not considered material to the Company's condensed consolidated financial statements.

In December 2023, Miromatrix was acquired by United Therapeutics Corporation. The Company tendered and sold all of its shares of Miromatrix to United Therapeutics Corporation in the transaction for $2.5 million. The Company recognized a $1.5 million gain from the disposal of Miromatrix and recorded it as other income (expense), net at December 31, 2023. There was no outstanding investment in Miromatrix as of September 30, 2024.

In determining fair value, the Company uses various valuation approaches within the fair value measurement framework. The valuation methodologies used for the Company’s instruments measured at fair value and their classification in the valuation hierarchy are summarized below:

- *Money market funds* – Investments in money market funds are classified within Level 1. Money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. At September 30, 2024 and December 31, 2023, money market funds were included as cash and cash equivalents in the condensed consolidated balance sheets.
- *Contingent consideration* – Contingent consideration is classified within Level 3. Contingent consideration relates to asset acquisitions and business combinations. The Company recorded the estimate of the fair value of the contingent consideration based on its evaluation of the probability of the achievement of the contractual conditions that would result in the payment of the contingent consideration. Contingent consideration was estimated using the fair value of the milestones to be paid if the contingency is met based on management’s estimate of the probability of success and projected revenues for revenue-based considerations at discounted rates ranging from 6% to 12% at September 30, 2024 and December 31, 2023. The significant input in the Level 3 measurement that is not supported by market activity is the Company’s probability assessment of the achievement of the milestones. The value of the liability is subsequently remeasured to fair value at each reporting date, and the change in estimated fair value is recorded as income or expense within operating expenses in the condensed consolidated statements of operations until the milestones are paid, expire or are no longer achievable. Increases or decreases in the estimation of the probability percentage results in a directionally similar impact to the fair value measurement of the contingent consideration liability. The carrying amount of the contingent consideration liability represents its fair value.

5. CASH AND MARKETABLE SECURITIES

Cash, Cash Equivalents and Restricted Cash

A reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the amount reported within the condensed consolidated statements of cash flows is shown in the table below (in thousands):

	September 30, 2024	September 30, 2023
Cash and cash equivalents	$ 95,400	$ 75,980
Restricted cash	592	582
Total cash, cash equivalents and restricted cash at the end of the period	$ 95,992	$ 76,562

Marketable Securities

All short-term marketable securities were considered held-to-maturity at September 30, 2024. At September 30, 2024, some of the Company’s short-term marketable securities were in an unrealized loss position. The Company determined that it had the positive intent and ability to hold until maturity all short-term marketable securities that have been in a continuous loss position. The Company assesses whether the decline in value of short-term marketable securities is temporary or other-than-temporary. In making its assessment, the Company evaluates the current market and interest rate environment as well as specific issuer

information. There was no recognition of any other-than-temporary impairment at September 30, 2024. All short-term marketable securities with unrealized losses as of the balance sheet date have been in a loss position for less than 12 months. Contractual maturities of the short-term marketable securities were within one year or less.

The amortized cost, unrealized holding gains, net and fair value of the Company's marketable securities by major security type at each balance sheet date are summarized in the tables below (in thousands):

	September 30, 2024		
	Amortized Cost	Unrealized Holding Gains, Net	Fair Value
Short-term marketable securities:			
U.S. agency securities	$ 90,571	$ 1,982	$ 92,553
Corporate debt securities	54,882	499	55,381
Total short-term marketable securities	$ 145,453	$ 2,481	$ 147,934

	December 31, 2023		
	Amortized Cost	Unrealized Holding Gains, Net	Fair Value
Short-term marketable securities:			
U.S. agency securities	$ 80,468	$ 2,038	$ 82,506
Corporate debt securities	72,753	711	73,464
Total short-term marketable securities	$ 153,221	$ 2,749	$ 155,970

6. BUSINESS COMBINATIONS AND ASSET ACQUISITION

Business Combinations

HLA Data Systems

In January 2023, the Company acquired HLA Data Systems, a Texas-based company that provides software and interoperability solutions for the histocompatibility and immunogenetics community. The Company acquired HLA Data Systems with a combination of cash consideration paid upfront and contingent consideration with a fair value of $1.3 million.

The Company accounted for the transaction as a business combination using the acquisition method of accounting. Acquisition-related costs of $0.4 million associated with the acquisition were expensed as incurred, and classified as part of general and administrative expenses in the condensed consolidated statements of operations.

Goodwill of $2.1 million arising from the acquisition primarily consists of synergies from integrating HLA Data Systems' technology with the current testing and digital solutions offered by the Company. The acquisition of HLA Data Systems will provide a robust and comprehensive Laboratory Information Management System and support the laboratory workflows. None of the goodwill is expected to be deductible for income tax purposes. All of the goodwill has been assigned to the Company's existing operating segment.

The following table summarizes the fair values of the intangible assets acquired as of the acquisition date ($ in thousands):

	Estimated Fair Value	Estimated Useful Lives (Years)
Customer relationships	$ 3,010	13
Developed technology	770	11
Trademarks	320	17
Total	$ 4,100	

Customer relationships acquired by the Company represent the fair value of future projected revenue that is expected to be derived from sales of HLA Data Systems' products to existing customers. The customer relationships' fair value has been estimated utilizing a multi-period excess earnings method under the income approach, which reflects the present value of the projected cash flows that are expected to be generated by the customer relationships, less charges representing the contribution

of other assets to those cash flows that use projected cash flows with and without the intangible asset in place. The economic useful life was determined based on the distribution of the present value of the cash flows attributable to the intangible asset.

The acquired developed technology represents the fair value of HLA Data Systems' proprietary software. The trademark acquired consists primarily of the HLA Data Systems brand and markings. The fair value of both the developed technology and the trademark were determined using the relief-from-royalty method under the income approach. This method considers the value of the asset to be the value of the royalty payments from which the Company is relieved due to its ownership of the asset. The royalty rates of 10% and 2% were used to estimate the fair value of the developed technology and the trademark, respectively.

A discount rate of 24% was utilized in estimating the fair value of these three intangible assets.

The pro forma impact of the HLA Data Systems acquisition is not material, and the results of operations of the acquisition has been included in the Company's condensed consolidated statements of operations from the acquisition date.

MediGO

In July 2023, the Company acquired MediGO, an organ transplant supply chain and logistics company. MediGO provides access to donated organs by digitally transforming donation and transplantation workflows to increase organ utilization. The Company acquired MediGO with a combination of cash consideration paid upfront and contingent consideration with a fair value of $0.3 million.

The Company accounted for the transaction as a business combination using the acquisition method of accounting. Acquisition-related costs of $0.3 million associated with the acquisition were expensed as incurred, and classified as part of general and administrative expenses in the condensed consolidated statements of operations.

Goodwill of $0.6 million arising from the acquisition primarily consists of synergies from integrating MediGO's technology with the current testing and digital solutions offered by the Company. The acquisition of MediGO will provide a comprehensive software platform that optimizes complex logistics from referral to recovery and during the critical movement of organs and teams and gives organ procurement organizations and transplant centers the ability to unify decentralized stakeholders, coordinate resources and make vital decisions with the goal of increasing organ utilization and improving equity and access to transplantation. None of the goodwill is expected to be deductible for income tax purposes. All of the goodwill has been assigned to the Company's existing operating segment.

The following table summarizes the fair values of the intangible assets acquired as of the acquisition date ($ in thousands):

	Estimated Fair Value	Estimated Useful Lives (Years)
Customer relationships	$ 810	17
Developed technology	850	12
Trademarks	360	17
Total	$ 2,020	

Customer relationships acquired by the Company represent the fair value of future projected revenue that is expected to be derived from sales of MediGO's products to existing customers. The customer relationships' fair value has been estimated utilizing a multi-period excess earnings method under the income approach, which reflects the present value of the projected cash flows that are expected to be generated by the customer relationships, less charges representing the contribution of other assets to those cash flows that use projected cash flows with and without the intangible asset in place. The economic useful life was determined based on the distribution of the present value of the cash flows attributable to the intangible asset.

The acquired developed technology represents the fair value of MediGO's proprietary software. The trademark acquired consists primarily of the MediGO brand and markings. The fair value of both the developed technology and the trademark were determined using the relief-from-royalty method under the income approach. This method considers the value of the asset to be the value of the royalty payments from which the Company is relieved due to its ownership of the asset. The royalty rates of 10% and 2% were used to estimate the fair value of the developed technology and the trademark, respectively.

A discount rate of 25% was utilized in estimating the fair value of these three intangible assets.

The pro forma impact of the MediGO acquisition is not material, and the results of operations of the acquisition have been included in the Company's condensed consolidated statements of operations from the respective acquisition date.

Combined Consideration Paid

The following table summarizes the consideration paid for HLA Data Systems (final amount) and MediGO (final amount) of the assets acquired and liabilities assumed recognized at their estimated fair value at the acquisition date (in thousands):

	Total
Consideration	
Cash and contingent consideration	$ 6,682
Total consideration	$ 6,682
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current assets	$ 1,413
Identifiable intangible assets	6,120
Current liabilities	(1,060)
Other current liabilities	(810)
Contingent consideration	(1,620)
Other liabilities	(7)
Total identifiable net assets acquired	4,036
Goodwill	2,646
Total consideration	$ 6,682

The allocation of the purchase price to assets acquired and liabilities assumed was based on the fair value of such assets and liabilities as of the acquisition date.

Asset Acquisition

Effective as of August 9, 2023, the Company purchased an asset from a private entity. The asset consists of a licensing agreement with a university institution. See also Note 9.

The purchased asset did not meet the definition of a business under ASC Topic 805, *Business Combinations,* and therefore the Company accounted for the transaction as an asset acquisition. In an asset acquisition, goodwill is not recognized, but rather, any excess consideration transferred over the fair value of the net assets acquired is allocated on a relative fair value basis to the identifiable assets acquired.

Acquisition costs relating to the asset acquired were $2.6 million, comprised of base consideration of $1.8 million, contingent consideration at fair value of $0.5 million and associated transaction costs of $0.3 million. Only one asset was acquired and the entire cost is assigned to the licensing agreement, which is recorded under Intangible assets, net, in the condensed consolidated balance sheets. The licensing agreement has an indefinite life and is presented in notes to the unaudited condensed consolidated financial statements under the intangible assets with indefinite lives category.

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill is recorded when the purchase price of an acquisition exceeds the fair value of the net tangible and identified intangible assets acquired.

Goodwill is tested annually for impairment at the reporting unit level during the fourth quarter or upon the occurrence of certain events or substantive changes in circumstances. There were no indicators of impairment in the three and nine months ended September 30, 2024. The Company identified an indicator of goodwill impairment in the three and nine months ended September 30, 2023 but determined no impairment. The balance of the Company’s goodwill was $40.3 million as of September 30, 2024 and December 31, 2023.

Intangible Assets

The following table presents details of the Company's intangible assets as of September 30, 2024 ($ in thousands):

	September 30, 2024				
	Gross Carrying Amount	Accumulated Amortization	Foreign Currency Translation	Net Carrying Amount	Weighted Average Remaining Useful Life (In Years)
Intangible assets with finite lives:					
Acquired and developed technology	$ 37,367	$ (20,651)	$ (2,306)	$ 14,410	6.7
Customer relationships	25,718	(10,359)	(1,978)	13,381	8.5
Commercialization rights	11,579	(5,443)	—	6,136	4.8
Trademarks and tradenames	5,220	(2,000)	(293)	2,927	8.7
Total intangible assets with finite lives	79,884	(38,453)	(4,577)	36,854	
Intangible assets with indefinite lives:					
Acquired in-process technology	1,250	—	—	1,250	
Favorable license agreement	2,257	—	—	2,257	
Total intangible assets with indefinite lives	3,507	—	—	3,507	
Total intangible assets	$ 83,391	$ (38,453)	$ (4,577)	$ 40,361	

The following table presents details of the Company's intangible assets as of December 31, 2023 ($ in thousands):

	December 31, 2023				
	Gross Carrying Amount	Accumulated Amortization	Foreign Currency Translation	Net Carrying Amount	Weighted Average Remaining Useful Life (In Years)
Intangible assets with finite lives:					
Acquired and developed technology	$ 37,367	$ (18,340)	$ (2,269)	$ 16,758	7.2
Customer relationships	25,718	(9,094)	(1,959)	14,665	9.2
Commercialization rights	11,579	(4,496)	—	7,083	5.6
Trademarks and tradenames	5,220	(1,713)	(288)	3,219	9.3
Total intangible assets with finite lives	79,884	(33,643)	(4,516)	41,725	
Intangible assets with indefinite lives:					
Acquired in-process technology	1,250	—	—	1,250	
Favorable license agreement	2,726	—	—	2,726	
Total intangible assets with indefinite lives	3,976	—	—	3,976	
Total intangible assets	$ 83,860	$ (33,643)	$ (4,516)	$ 45,701	

Acquisition of Intangible Assets

In January 2023 and July 2023, the Company acquired the intangible assets of HLA Data Systems and MediGO, respectively. The Acquired and developed technology, Customer relationships, and Trademarks and tradenames are recorded under Intangible assets, net, in the condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023.

Amortization of Intangible Assets

Intangible assets are carried at cost less accumulated amortization. Amortization expenses are recorded to cost of testing services, cost of product, cost of patient and digital solutions, and sales and marketing expenses in the condensed consolidated statements of operations.

The following table summarizes the Company's amortization expense of intangible assets (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of testing services	$ 329	$ 329	$ 987	$ 987
Cost of product	419	408	1,250	1,242
Cost of patient and digital solutions	170	265	679	768
Sales and marketing	634	616	1,895	1,817
Total	$ 1,552	$ 1,618	$ 4,811	$ 4,814

The following table summarizes the Company's estimated future amortization expense of intangible assets with finite lives as of September 30, 2024 (in thousands):

Years Ending December 31,	Cost of Testing Services	Cost of Product	Cost of Patient and Digital Solutions	Sales and Marketing	Total
Remainder of 2024	$ 329	$ 429	$ 170	$ 638	$ 1,566
2025	1,316	1,715	681	2,557	6,269
2026	1,316	751	681	2,554	5,302
2027	1,316	751	681	2,541	5,289
2028	1,316	751	681	2,541	5,289
Thereafter	1,509	2,567	1,462	7,601	13,139
Total future amortization expense	$ 7,102	$ 6,964	$ 4,356	$ 18,432	$ 36,854

8. BALANCE SHEET COMPONENTS

Inventory

Inventory consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Finished goods	$ 5,435	$ 3,658
Work in progress	4,202	5,191
Raw materials	9,626	10,622
Total inventory	$ 19,263	$ 19,471

Accrued and Other Liabilities

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

	September 30, 2024	December 31, 2023
Clinical studies	$ 16,250	$ 15,744
Short-term lease liability	6,124	5,943
Deferred revenue	5,552	4,748
Professional fees	5,499	5,911
Contingent consideration	4,537	5,469
Laboratory processing fees and materials	3,293	2,890
Travel and expenses	684	—
Accrued shipping expenses	399	335
Deferred payments for intangible assets	250	920
Accrued royalty	229	348
Capital expenditures	146	151
License and other collaboration fees	67	250
Other accrued expenses	2,256	2,788
Total accrued and other liabilities	$ 45,286	$ 45,497

9. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases its operating and office facilities for various terms under long-term, non-cancelable operating lease agreements in Brisbane, California; Columbus, Ohio; West Chester, Pennsylvania; Flowood, Mississippi; Gaithersburg, Maryland; Omaha, Nebraska; Fremantle, Australia; and Stockholm, Sweden.

The Company's facility leases expire at various dates through 2033. In the normal course of business, it is expected that these leases will be renewed or replaced by leases on other properties.

As of September 30, 2024, the carrying value of the ROU asset was $25.8 million. The related current and non-current liabilities as of September 30, 2024 were $6.1 million and $23.8 million, respectively. The current and non-current lease liabilities are included in accrued and other current liabilities and operating lease liability, less current portion, respectively, in the condensed consolidated balance sheets.

Effective March 2024, the Company entered into a sublease agreement with a sub-lessee (a third-party) for office space with a six-year term, commencing on May 1, 2024, for a total of $2.6 million base rent for the duration of the contract.

The following table summarizes the lease cost for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease cost	$ 1,957	$ 1,981	$ 5,893	$ 5,936
Total lease cost	$ 1,957	$ 1,981	$ 5,893	$ 5,936

	September 30, 2024	December 31, 2023
Other information:		
Weighted-average remaining lease term - Operating leases (in years)	4.82	5.43
Weighted-average discount rate - Operating leases (%)	7.1 %	7.1 %

Maturities of operating lease liabilities as of September 30, 2024 are as follows (in thousands):

Years Ending December 31,	Operating Leases
Remainder of 2024	$ 1,954
2025	7,975
2026	7,166
2027	7,274
2028	6,599
Thereafter	4,115
Total lease payments	35,083
Less imputed interest	5,118
Present value of future minimum lease payments	29,965
Less operating lease liability, current portion	6,124
Operating lease liability, less current portion	$ 23,841

The following table summarizes the supplemental cash flow information related to leases for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities				
Operating cash flows used for operating leases	$ 1,567	$ 1,172	$ 4,396	$ 3,871

Royalty Commitments

The Board of Trustees of the Leland Stanford Junior University ("Stanford")

In June 2014, the Company entered into a license agreement with Stanford (the "Stanford License"), which granted the Company an exclusive license to a patent relating to the diagnosis of rejection in organ transplant recipients using dd-cfDNA. Under the terms of the Stanford License, the Company is required to pay an annual license maintenance fee, six milestone payments and royalties in the low single digits of net sales of products incorporating the licensed technology. In March 2023, the Stanford License agreement was amended, which reduced the maximum royalty rate to a lower rate at which the Company may be liable to Stanford effective from April 2022 and also provided that the Company would seek a review from the U.S. Supreme Court (the "Review"). During the pendency of the Review, certain of the Company's licensing payment and reporting obligations to Stanford with respect to licensed products sold in the U.S. were suspended. As a result, the Company reversed the excess liability in March 2023.

In May 2023, the Company submitted a petition of certiorari to the U.S. Supreme Court for consideration of the patent infringement suit and in October 2023, the U.S. Supreme Court declined to hear this patent infringement suit. As the Review is complete and the Company's petition for review was denied, the Stanford License automatically terminated, and in December 2023, the Company paid Stanford certain past royalties at a reduced rate that were previously suspended within 90 days of the termination. There was no outstanding obligation with Stanford as of September 30, 2024.

Illumina

On May 4, 2018, the Company entered into a license agreement with Illumina, Inc. (the "Illumina Agreement"). The Illumina Agreement requires the Company to pay royalties in the mid-single to low-double digits on sales of products covered by the Illumina Agreement.

Other Royalty Commitment

Effective as of August 2023, the Company entered into a license agreement with a university institution (the "University Agreement"). The University Agreement requires the Company to pay royalties in the low single digits on sales of products covered by the University Agreement.

Other Commitments

Effective as of July 2023, the Company entered into a license and collaboration agreement with a private entity pursuant to which the Company was granted an irrevocable, non-transferable right to commercialize its proprietary software, iBox, for the predictive analysis of post-transplantation kidney allograft loss in the field of transplantation for a period of four years with exclusive rights in the United States. The Company will share an agreed-upon percentage of revenue with the private entity, if and when revenues are generated from iBox.

Litigation and Indemnification Obligations

From time to time, the Company may become involved in litigation and other legal actions. The Company estimates the range of liability related to any pending litigation where the amount and range of loss can be estimated. The Company records its best estimate of a loss when the loss is considered probable. Where a liability is probable and there is a range of estimated loss with no best estimate in the range, the Company records a charge equal to at least the minimum estimated liability for a loss contingency when both of the following conditions are met: (i) information available prior to issuance of the condensed consolidated financial statements indicates that it is probable that a liability had been incurred at the date of the condensed consolidated financial statements, and (ii) the range of loss can be reasonably estimated.

Natera Inc.

In response to the Company's false advertising suit filed against Natera Inc. ("Natera") on April 10, 2019, Natera filed a counterclaim against the Company on February 18, 2020, in the U.S. District Court for the District of Delaware (the "Court") alleging the Company made false and misleading claims about the performance capabilities of AlloSure. The suit seeks injunctive relief and unspecified monetary relief. On September 30, 2020, Natera requested leave of Court to amend its counterclaims to include additional allegations regarding purportedly false claims the Company made with respect to AlloSure, and the Court granted Natera's request. The trial commenced on March 7, 2022 and concluded on March 14, 2022, with the jury finding that Natera violated the Lanham Act by falsely advertising the scientific performance of its Prospera transplant test and awarding the Company $44.9 million in damages, comprised of $21.2 million in compensatory damages and $23.7 million in punitive damages. In July 2023, the Court upheld and reaffirmed the March 2022 jury verdict but did not uphold the monetary damages awarded by the jury. In August 2023, the Court issued an injunction prohibiting Natera from making the claims the jury previously found to be false advertising. Both parties appealed. On October 8, 2024, the United States Court of Appeals for the Third Circuit remanded the case to make additional filings.

On July 19, 2022, the U.S. Court of Appeals for the Federal Circuit affirmed the Court's judgment dismissing the Company's patent infringement suit against Natera. In May 2023, the Company submitted a petition of certiorari to the U.S. Supreme Court for consideration of the patent infringement suit and in October 2023, the U.S. Supreme Court declined to hear the suit.

In addition, Natera filed suit against the Company on January 13, 2020, in the Court alleging, among other things, that AlloSure infringes Natera's U.S. Patent 10,526,658. This case was consolidated with the Company's patent infringement suit on February 4, 2020. On March 25, 2020, Natera filed an amendment to the suit alleging, among other things, that AlloSure also infringes Natera's U.S. Patent 10,597,724. The suit seeks a judgment that the Company has infringed Natera's patents, an order preliminarily and permanently enjoining the Company from any further infringement of such patents and unspecified damages. On May 13, 2022, Natera filed two new complaints alleging that AlloSure infringes Natera's U.S. Patents 10,655,180 and 11,111,544. These two cases were consolidated with the patent infringement case on June 15, 2022. On May 17, 2022, Natera agreed to dismiss the case alleging infringement of Natera's U.S. Patent 10,526,658. On July 6, 2022, the Company moved to dismiss the rest of Natera's claims. On September 6, 2022, the Company withdrew its motion to dismiss. On December 11, 2023, the Court dismissed the case alleging infringement of Natera's U.S. Patent 10,597,724. Natera appealed that decision. On March 13, 2024, the Federal Circuit dismissed Natera's appeal after Natera failed to file its brief and other required papers. On May 30, 2024, Natera filed a second notice of appeal of the dismissal of U.S. Patent 10,597,724. On June 19, 2024, the Company moved to dismiss Natera's appeal. On September 11, 2024, the Federal Circuit denied that motion.

On January 26, 2024, following a five-day trial, a jury concluded that the Company did not infringe Natera's U.S. Patent 10,655,180 but did infringe Natera's U.S. Patent 11,111,544. The jury awarded Natera approximately $96.3 million in damages based on sales of AlloSure and AlloSeq between September 2021 and August 2023. Natera's U.S. Patent 11,111,544 expires in September 2026. Following trial, the parties engaged in discovery as to whether the Company's current AlloSure process infringes the Natera's U.S. Patent 11,111,544. On September 11, 2024, Natera informed the Court that it was abandoning claims

of ongoing infringement. Natera has moved for an injunction on the Company's prior AlloSure process. The Company is opposing the motion. The Company is seeking judicial review of the verdict. Natera is also seeking judicial review of the jury's finding that the Company did not infringe Natera's U.S. Patent 10,655,180. The Company intends to defend itself in these matters vigorously, and believes that the Company has good and substantial defenses to the claims alleged in the suits, but there is no guarantee that the Company will prevail. The Company recognized the damages of $96.3 million as other liabilities on the condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023.

United States Department of Justice and United States Securities and Exchange Commission Investigations

As previously disclosed, in 2021, the Company received a civil investigative demand ("CID") from the United States Department of Justice ("DOJ") requesting that the Company produce certain documents in connection with a False Claims Act investigation being conducted by the DOJ regarding certain business practices related to the Company's kidney testing and phlebotomy services, and a subpoena from the SEC in relation to an investigation by the SEC in respect of matters similar to those identified in the CID, as well as certain of the Company's accounting and public reporting practices. By letter dated September 19, 2023, the Company was notified by the staff of the SEC that the SEC has concluded its investigation as to the Company and does not intend to recommend an enforcement action by the SEC against the Company. The notice was provided under the guidelines set out in the final paragraph of Securities Act Release No. 5310.

In a court document unsealed on October 7, 2024, the DOJ notified the United States District Court for the Eastern District of New York that it was declining to intervene in a qui tam action filed against the Company by a former employee that served as the basis for the CID. Accordingly, CareDx understands that the DOJ has closed its investigation of the Company with no finding of wrongdoing. The Company denies the allegations in the qui tam action and intends to vigorously defend itself should the private plaintiff pursue these claims.

The Company may receive additional requests for information from the DOJ, the SEC, or other regulatory and governmental agencies regarding similar or related subject matters. Although the Company remains committed to compliance with all applicable laws and regulations, it cannot predict the outcome of any other requests or investigations that may arise in the future.

Olymbios Matter

On April 15, 2022, a complaint was filed by Michael Olymbios against the Company in the Superior Court of the State of California for the County of San Mateo (the "San Mateo County Court"). The complaint alleged that the Company failed to pay certain fees and costs required to continue an arbitration proceeding against Dr. Olymbios, and that the Company has defamed Dr. Olymbios. Dr. Olymbios also sought to void restrictive covenants previously agreed to by him in favor of the Company and to recover damages purportedly incurred by Dr. Olymbios. The Company filed a motion to compel arbitration and dismiss the case. On April 25, 2022, the San Mateo County Court granted the Company's *ex parte* application to stay the case and advance the hearing date to June 10, 2022 for the motion to compel arbitration and dismiss. At the June 10, 2022 hearing, the San Mateo County Court found that the decision should be made by the arbitrator, and stayed the case. On July 19, 2022, Dr. Olymbios filed a motion to withdraw from arbitration before Judicial Arbitration and Mediation Services, Inc., which was denied on August 18, 2022. Both the arbitration and the San Mateo County Court matter were settled in the fourth quarter of 2023 and have been resolved.

Securities Class Action

On May 23, 2022, Plumbers & Pipefitters Local Union #295 Pension Fund filed a federal securities class action in the U.S. District Court for the Northern District of California against the Company, Reginald Seeto, its former President, Chief Executive Officer and member of the Company's Board of Directors, Ankur Dhingra, its former Chief Financial Officer, Marcel Konrad, its former interim Chief Financial Officer and former Senior Vice President of Finance & Accounting, and Peter Maag, its former President, former Chief Executive Officer, former Chairman of the Company's Board of Directors and current member of the Company's Board of Directors. The action alleges that the Company and the individual defendants made materially false and/or misleading statements and/or omissions and that such statements violated Section 10(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated thereunder. The action also alleges that the individual defendants are liable pursuant to Section 20(a) of the Exchange Act as controlling persons of the Company. The suit seeks to recover damages caused by the alleged violations of federal securities laws, along with the plaintiffs' costs incurred in the lawsuit, including their reasonable attorneys' and experts' witness fees and other costs.

On August 25, 2022, the court appointed an investor group led by the Oklahoma Police Pension and Retirement System as lead plaintiffs and appointed Saxena White P.A. and Robbins Geller Rudman & Dowd LLP as lead counsels. Plaintiffs filed an amended complaint on November 28, 2022. On January 27, 2023, defendants moved to dismiss all claims and to strike certain allegations in the amended complaint.

On May 24, 2023, the court granted the Company's motion to strike and motion to dismiss, dismissing all claims against defendants with leave to amend. On June 28, 2023, plaintiffs filed a second amended complaint against the Company, Reginald Seeto, Ankur Dhingra, and Peter Maag. Under a briefing schedule ordered by the court on June 12, 2023, defendants' motion to dismiss and motion to strike the second amended complaint was filed on July 26, 2023, plaintiffs' opposition was filed on August 30, 2023, and defendants' reply was filed on September 22, 2023. The court held oral argument on October 31, 2023.

On September 18, 2024, the court granted the Company's motion to dismiss the second amended complaint without prejudice, providing plaintiffs leave to file a third amended complaint by no later than October 2, 2024 (a deadline which was subsequently extended by stipulation). On October 18, 2024, plaintiffs filed a third amended complaint, which again alleges that the Company and the individual defendants made materially false and/or misleading statements and/or omissions in violation of Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act. Among other things, plaintiffs removed former Chief Financial Officer, Ankur Dhingra, as a named defendant. The third amended complaint reiterates many of the same factual allegations as in prior complaints, but purports to add new allegations based on, among other things, a recently unsealed qui tam action filed by a former employee.

Defendants' motion to dismiss the third amended complaint is due on November 15, 2024. Plaintiffs' response is due on December 13, 2024, and defendants' reply is due on January 10, 2025. The hearing on the motion to dismiss has been scheduled for January 28, 2025. The Company intends to defend itself vigorously, and believes that the Company has good and substantial defenses to the claims alleged in the suit, but there is no guarantee that the Company will prevail. The Company has not recorded any liabilities for this suit.

Derivative Actions

On September 21, 2022, Jeffrey Edelman filed a stockholder derivative action complaint in the U.S. District Court for the Northern District of California against the Company as nominal defendant and Drs. Seeto and Maag and Mr. Dhingra, and other current and former members of the Company's Board of Directors asserting, among other things, alleged breaches of fiduciary duty against the Individual Defendants based on the factual allegations of the Securities Class Action (the "Edelman Derivative Action").

On December 8, 2022, the court entered an order staying the Edelman Derivative Action subject to certain terms and conditions.

On February 7, 2023, Jaysen Stevenson filed a stockholder derivative action complaint in the U.S. District Court for the Northern District of California against the Company as nominal defendant and Drs. Seeto and Maag and Mr. Dhingra, and other current and former members of the Company's Board of Directors asserting substantially similar claims (the "Stevenson Derivative Action").

On March 9, 2023, the court consolidated the Edelman Derivative Action and the Stevenson Derivative Action and stayed both actions pursuant to the terms of the stay order in the Edelman Derivative Action.

On February 8, 2024, Christian Jacobsen filed a stockholder derivative action complaint in the U.S. District Court for the Northern District of California against us as nominal defendant and Dr. Seeto, Mr. Dhingra, Dr. Maag, and other current and former members of the Company's Board of Directors asserting substantially similar claims as the prior-filed derivative actions (the "Jacobsen Derivative Action").

On March 19, 2024, the parties to the Jacobsen Derivative Action and the consolidated Edelman Derivative Action and Stevenson Derivative Action filed a stipulation and proposed order consolidating the Jacobsen Derivative Action with the consolidated Edelman Derivative Action and Stevenson Derivative Action and staying the Jacobsen Derivative Action pursuant to the terms of the stay order in the Edelman Derivative Action. On April 23, 2024, the court entered an order consolidating all three derivative actions (the "Consolidated Derivative Action"). The order provides that all previous orders in the Edelman Derivative Action and the Stevenson Derivative Action shall apply to the Jacobsen Derivative Action.

On May 16, 2024, the court lifted the stay in the Consolidated Derivative Action. Under a scheduling order entered by the court on May 14, 2024, plaintiffs filed an amended complaint in the Consolidated Derivative Action on July 1, 2024. Pursuant to a briefing notice entered by the court on June 17, 2024, defendants filed a motion to dismiss the amended complaint and an unopposed motion to stay discovery in the Consolidated Derivative Action on August 30, 2024. On October 10, 2024, the court held a case management conference to discuss the impact of the Securities Class Action on the Consolidated Derivative Action. On October 17, 2024, the parties submitted a proposed schedule to the court for approval. On October 18, 2024, the court entered a revised schedule. Under the schedule, plaintiffs' deadline to file a second amended complaint is November 8, 2024, and defendants' deadline to file an answer or otherwise respond to the second amended complaint is December 13, 2024. Plaintiffs' opposition papers are due on January 24, 2025 and defendants' reply is due on February 14, 2025. A hearing on the motion to dismiss and the motion to stay was scheduled for March 4, 2025.

On March 20, 2024, Edward W. Burns IRA filed a stockholder derivative action complaint in the Court of Chancery of the State of Delaware against the Company as nominal defendant and Dr. Seeto, Mr. Dhingra, Dr. Maag, and other current and former members of the Board of Directors (the "Burns Derivative Action"). Prior to filing the complaint, the Company produced documents to the plaintiff in response to a books and records inspection demand made pursuant to Section 220 of the Delaware General Corporation Law. The plaintiff purports to incorporate those documents in the complaint. The plaintiff alleges that the individual defendants breached their fiduciary duties as directors and/or officers of the Company and engaged in insider trading, unjust enrichment, waste of corporate assets, and aiding and abetting breaches of fiduciary duty. The suit seeks declaratory relief, recovery of alleged damages sustained by the Company as a result of the alleged violations, equitable relief, restitution, and plaintiff's costs incurred in the lawsuit, including reasonable attorneys', accountants', and experts' fees, costs, and expenses. On April 11, 2024, the court entered an order staying the Burns Derivative Action pursuant to a stipulation filed by the parties.

On May 30, 2024, the parties to the Burns Derivative Action filed an amended stipulation and proposed order to continue the stay in that action, which was so-ordered by the court on May 31, 2024.

The Company intends to defend itself vigorously, and believes that the Company has good and substantial defenses to the claims alleged in the suit, but there is no guarantee that the Company will prevail. The Company has not recorded any liabilities for this suit.

Insurance Matter

In December 2022, the Company filed a lawsuit against its directors and officers liability insurance carriers in San Mateo County Superior Court. The Company seeks a declaration that costs and fees incurred by the Company in responding to governmental investigatory requests are covered under its policies. The Company also asserts breach of contract against its primary insurer Great American Insurance Company for denying the claim. The policies provide up to $15 million in coverage limits. The Company intends to vigorously pursue its claims, and believes it has good and substantial support for its claims, but there is no guarantee that the Company will prevail in these claims.

On May 17, 2024, the Superior Court entered a decision finding against the Company. The Company has filed a notice of appeal.

10. 401(K) PLAN

The Company sponsors a 401(k) defined contribution plan (the "401(k) Plan") covering all U.S. employees under the Internal Revenue Code of 1986, as amended. Employee contributions to the 401(k) Plan are voluntary and are determined on an individual basis subject to the maximum allowable under federal tax regulations. The Company incurred expenses related to contributions to the 401(k) Plan of $0.0 million and $0.2 million for the three months ended September 30, 2024 and 2023, respectively. The Company incurred expenses related to contributions to the 401(k) Plan of $2.1 million and $1.4 million for the nine months ended September 30, 2024 and 2023, respectively.

11. WARRANTS

The Company issues common stock warrants in connection with debt or equity financings to lenders, placement agents and investors. Issued warrants are considered standalone financial instruments and the terms of each warrant are analyzed for equity or liability classification in accordance with U.S. GAAP. Warrants that are classified as liabilities usually have various features that would require net-cash settlement by the Company. Warrants that are not liabilities, derivatives and/or meet the exception criteria are classified as equity. Warrant liabilities are remeasured at fair value at each period end with changes in fair value recorded in the condensed consolidated statements of operations until expired or exercised. Warrants that are classified as equity are valued at their relative fair value on the date of issuance, recorded in additional paid-in capital and not remeasured.

As of September 30, 2024 and December 31, 2023, no warrants to purchase common stock were outstanding.

12. STOCK INCENTIVE PLANS

Stock Options and Restricted Stock Units ("RSU")

The following table summarizes option and RSU activity under the Company's 2014 Equity Incentive Plan, 2016 Inducement Equity Incentive Plan, 2019 Inducement Equity Incentive Plan, 2024 Equity Incentive Plan and Employment Inducement

Grants, and related information:

	Shares Available for Grant	Stock Options Outstanding	Weighted-Average Exercise Price	Number of RSU Shares	Weighted-Average Grant Date Fair Value
Balance—December 31, 2023	869,111	3,055,208	$ 25.21	5,006,775	$ 19.02
Additional shares authorized	7,047,461	—	—	—	—
Common stock awards for services	(15,745)	—	—	—	—
RSUs granted	(3,583,116)	—	—	3,583,116	10.56
RSUs vested	—	—	—	(1,767,773)	18.20
Options granted	(1,031,037)	1,031,037	12.73	—	—
Options exercised	—	(211,700)	15.69	—	—
Repurchase of common stock under employee incentive plans	494,310	—	—	—	—
RSUs forfeited	403,126	—	—	(403,126)	15.42
Options forfeited	24,637	(24,637)	28.47	—	—
Options expired	108,214	(108,214)	31.98	—	—
Balance—September 30, 2024	4,316,961	3,741,694	$ 22.09	6,418,992	$ 14.93

The total intrinsic value of options exercised was $2.8 million and $2.9 million for the three and nine months ended September 30, 2024, respectively. The total intrinsic value of options exercised was $0.1 million for each of the three and nine months ended September 30, 2023, respectively.

As of September 30, 2024, the total intrinsic value of outstanding RSUs was approximately $205.7 million and there were $53.1 million of unrecognized compensation costs related to RSUs, which are expected to be recognized over a weighted-average period of 2.07 years.

The Company granted performance restricted stock units ("PSUs"), included in RSUs, under the 2014 Plan. The PSUs granted to employees consist of financial and operational metrics to be met over a performance period of 2 years. The number of shares outstanding was 412,843 and 449,983 as of September 30, 2024 and December 31, 2023, respectively. The weighted-average remaining recognition period was 0.34 years and 1.01 years as of September 30, 2024 and December 31, 2023, respectively.

Options outstanding that have vested and are expected to vest at September 30, 2024 are as follows:

	Number of Shares Issued (In thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In thousands)
Vested	2,048	$ 25.70	6.19	$ 18,616
Expected to vest	1,502	17.89	8.72	21,481
Total	3,550			$ 40,097

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options and the fair value of the Company's common stock at September 30, 2024 for stock options that were in-the-money.

The total fair value of options that vested during the three and nine months ended September 30, 2024 was $2.4 million and $8.8 million, respectively. As of September 30, 2024, there were approximately $17.3 million of unrecognized compensation costs related to stock options, which are expected to be recognized over a weighted-average period of 2.68 years.

2014 Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan (the "ESPP"), under which employees can purchase shares of its common stock based on a percentage of their compensation, but not greater than 15% of their respective earnings; provided, however, an eligible employee's right to purchase shares of the Company's common stock may not accrue at a rate which exceeds $25,000 of the fair market value of such shares for each calendar year in which such rights are outstanding. The ESPP has consecutive offering periods of approximately six months in length. The purchase price per share must be equal to the lower of 85% of the fair value of the common stock on the first day of the offering period or on the exercise date.

During the offering period in 2024 that ended on June 30, 2024, 85,260 shares were purchased pursuant to the ESPP for aggregate proceeds of $0.9 million from the issuance of such shares, which occurred on July 2, 2024.

During the offering period in 2023 that ended on December 31, 2023, 73,759 shares were purchased pursuant to the ESPP for aggregate proceeds of $0.5 million from the issuance of such shares, which occurred on January 2, 2024.

Valuation Assumptions

The estimated fair values of employee stock options and ESPP shares were estimated using the Black-Scholes option pricing model based on the following weighted average assumptions:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Employee stock options				
Expected term (in years)	6.0	N/A	5.9	5.6
Expected volatility	78.20%	N/A	76.80%	77.86%
Risk-free interest rate	3.52%	N/A	4.39%	3.67%
Expected dividend yield	—%	N/A	—%	—%
Employee stock purchase plan				
Expected term (in years)	0.5	0.5	0.5	0.5
Expected volatility	91.99%	93.38%	91.99%	93.38%
Risk-free interest rate	5.37%	5.53%	5.28%	5.49%
Expected dividend yield	—%	—%	—%	—%

Risk-free Interest Rate: The Company based the risk-free interest rate over the expected term of the award based on the constant maturity rate of U.S. Treasury securities with similar maturities as of the date of grant.

Volatility: The Company used an average historical stock price volatility of its own stock.

Expected Term: The expected term represents the period for which the Company's stock-based compensation awards are expected to be outstanding and is based on analyzing the vesting and contractual terms of the awards and the holders' historical exercise patterns and termination behavior.

Expected Dividends: The Company has not paid and does not anticipate paying any dividends in the near future.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense relating to employee and non-employee stock-based awards for the three and nine months ended September 30, 2024 and 2023, included in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of testing services	$ 418	$ 496	$ 1,232	$ 1,467
Cost of product	234	301	776	935
Cost of patient and digital solutions	326	297	1,048	1,066
Research and development	1,775	1,491	5,163	5,157
Sales and marketing	2,786	3,041	8,757	9,557
General and administrative	8,155	7,045	23,232	20,943
Total	$ 13,694	$ 12,671	$ 40,208	$ 39,125

No tax benefit was recognized related to stock-based compensation expense since the Company has never reported taxable income and has established a full valuation allowance to offset all of the potential tax benefits associated with its deferred tax assets. In addition, no amounts of stock-based compensation expense were capitalized for the periods presented.

13. INCOME TAXES

The Company's effective tax rate may vary from the U.S. federal statutory tax rate due to a change in valuation allowance, change in the mix of earnings in tax jurisdictions with different statutory rates, benefits related to tax credits, and the tax impact of non-deductible expenses and other permanent differences between income before income taxes and taxable income.

For the three and nine months ended September 30, 2024, the Company recorded an income tax expense of $0.2 million and $0.1 million, respectively. For the three and nine months ended September 30, 2023, the Company recorded an income tax benefit of $80,000 and $24,000, respectively. The Company assesses the realizability of its net deferred tax assets by evaluating all available evidence, both positive and negative, including (i) cumulative results of operations in recent years, (ii) sources of recent losses, (iii) estimates of future taxable income, and (iv) the length of net operating loss carryforward periods. The Company believes that based on the history of its U.S. losses and other factors, the weight of available evidence indicates it is more likely than not that it will not be able to realize its U.S. consolidated net deferred tax assets. The Company has also placed a valuation allowance on the net deferred tax assets of its Sweden operations. Accordingly, the U.S. and Sweden net deferred tax assets have been offset by a full valuation allowance.

14. SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the Company's Chief Operating Decision Maker ("CODM"), or decision making group, whose function is to allocate resources to and assess the performance of the operating segments. The Company has identified its Chief Executive Officer as the CODM. In determining its reportable segments, the Company considered the markets and types of customers served and the products or services provided in those markets. The Company operates in a single reportable segment.

Revenues by geographic regions are based upon the customers' ship-to address for product revenue, the region of testing for testing services revenue and the region where the performance obligation is satisfied for patient and digital solutions revenue. The following table summarizes reportable revenues by geographic regions (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Testing services revenue				
United States	$ 60,408	$ 47,644	$ 184,757	$ 162,560
Rest of World	399	140	805	422
	$ 60,807	$ 47,784	$ 185,562	$ 162,982
Product revenue				
United States	$ 6,850	$ 5,810	$ 18,701	$ 13,857
Europe	2,488	2,437	7,592	7,430
Rest of World	874	1,289	3,123	2,986
	$ 10,212	$ 9,536	$ 29,416	$ 24,273
Patient and digital solutions revenue				
United States	$ 11,824	$ 9,735	$ 32,102	$ 27,130
Europe	27	34	93	239
Rest of World	13	103	33	131
	$ 11,864	$ 9,872	$ 32,228	$ 27,500
Total United States	$ 79,082	$ 63,189	$ 235,560	$ 203,547
Total Europe	$ 2,515	$ 2,471	$ 7,685	$ 7,669
Total Rest of World	$ 1,286	$ 1,532	$ 3,961	$ 3,539
Total	$ 82,883	$ 67,192	$ 247,206	$ 214,755

The following table summarizes long-lived assets, consisting of property and equipment, net, by geographic regions (in thousands):

	September 30, 2024	December 31, 2023
Long-lived assets:		
United States	$ 33,670	$ 34,714
Europe	331	476
Rest of World	14	56
Total	$ 34,015	$ 35,246

15. RESTRUCTURING

In January 2023, the Company announced a restructuring plan that is intended to optimize costs and simplify its organizational and corporate structure. The restructuring plan includes the discontinuation of operations at one of its two locations in Fremantle, Australia. The affected location was closed as of June 2024. The Company did not incur restructuring charges for the three months ended September 30, 2024 and incurred immaterial charges for the nine months ended September 30, 2024. The Company incurred immaterial restructuring charges for each of the three and nine months ended September 30, 2023.

In May and December 2023, the Company announced a reduction of its workforce to simplify and streamline its organization and strengthen the overall effectiveness of its operations. The restructuring charges are primarily related to employee severance pay and related costs. The Company did not incur any restructuring charges related to this plan in the three and nine months ended September 30, 2024. The Company incurred $0.0 million and $0.8 million in restructuring charges for the three and nine months ended September 30, 2023, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the unaudited condensed consolidated financial statements and related notes included elsewhere in Item 1 of Part I of this Quarterly Report on Form 10-Q and with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission, or the SEC, on February 28, 2024.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "should," "would," "project," "plan," "target," "contemplate," "predict," "expect" and the negative and plural forms of these words and similar expressions are intended to identify forward-looking statements.

These forward-looking statements may include, but are not limited to, statements concerning the following:

- our ability to generate revenue and increase the commercial success of our current and future testing services, products and patient and digital solutions;
- our ability to obtain, maintain and expand reimbursement coverage from payers for our current and other future testing services, if any;
- our plans and ability to continue updating our testing services, products and patient and digital solutions to maintain our leading position in transplantations;
- the outcome or success of our clinical trial collaborations and registry studies;
- the favorable review of our testing services and product offerings, and our future solutions, if any, in peer-reviewed publications;
- our ability to obtain additional financing on terms favorable to us, or at all;
- our anticipated cash needs and our anticipated uses of our funds, including our estimates regarding operating expenses and capital requirements;
- anticipated trends and challenges in our business and the markets in which we operate;
- our dependence on certain of our suppliers, service providers and other distribution partners;
- disruptions to our business, including disruptions at our laboratories and manufacturing facilities;
- our ability to retain key members of our management team;
- our ability to make successful acquisitions or investments and to manage the integration of such acquisitions or investments;
- our ability to expand internationally;
- our compliance with federal, state and foreign regulatory requirements;
- our ability to protect and enforce our intellectual property rights, our strategies regarding filing additional patent applications to strengthen our intellectual property rights, and our ability to defend against intellectual property claims that may be brought against us;
- our ability to successfully assert, defend against or settle any litigation brought by or against us or other legal matters or disputes;
- our ability to remediate the material weaknesses in our internal control over financial reporting as of December 31, 2023; and
- our ability to comply with the requirements of being a public company.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section entitled "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 28, 2024. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, 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 and adversely from those contained in any forward-looking statements we may

make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the 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 that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations.

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

Overview and Recent Highlights

CareDx, Inc., or collectively, the Company, we, us and our, together with our subsidiaries, is a leading precision medicine company focused on the discovery, development and commercialization of clinically differentiated, high-value diagnostic solutions for transplant patients and caregivers. We offer testing services, products, and patient and digital solutions along the pre- and post-transplant patient journey, and we are a leading provider of genomics-based information for transplant patients.

Highlights for the Three Months Ended September 30, 2024

- Total revenue of $82.9 million increased 23% year-over-year
- Testing Services volume of 44,600 tests increased 16% year-over-year
- Cash flow from operations of $12.5 million. Cash, cash equivalents, and marketable securities of $241 million, with no debt

Testing Services

We develop and provide diagnostic testing services, including for surveillance, for solid organ transplant recipients, hematopoietic stem cell transplant recipients and recipients of cell therapies.

Kidney

AlloSure Kidney, our transplant surveillance solution, was commercially launched in October 2017 and is our donor-derived cell-free DNA, or dd-cfDNA, offering. In transplantation, there is well-established literature from studies around the world demonstrating the value of dd-cfDNA in the management of solid organ transplantation. AlloSure Kidney is able to discriminate dd-cfDNA from recipient-cell-free DNA targeting polymorphisms in the DNA with an approach specifically designed for transplantation to differentiate dd-cfDNA.

AlloSure Kidney has been a covered service for Medicare beneficiaries since October 2017 through a Local Coverage Determination, or LCD, first issued by Palmetto MolDX, or MolDX, which was formed to identify and establish coverage and reimbursement for molecular diagnostics tests, and then adopted by Noridian Healthcare Solutions, our Medicare Administrative Contractor, or Noridian. The Medicare reimbursement rate for AlloSure Kidney is currently $2,841.

On August 10, 2023, MolDX and Noridian released a draft proposed revision to the LCD (DL38568, Palmetto; DL38629, Noridian) that, if adopted, would have revised the existing foundational LCD, MolDX: Molecular Testing for Solid Organ Allograft Rejection (L38568 and L38629). On August 16, 2024, CMS issued a press release entitled “MolDX Local Coverage Determination Statement,” announcing that after careful consideration of the feedback received from interested parties, as well as the public comments and further review of evidence, the MACs decided not to finalize the proposed LCD issued on August 10, 2023. CMS further stated that due to the importance of identifying solid organ allograft rejection early and to ensure the public has additional opportunities to comment on the policy, the MACs intend to issue a new LCD in the coming months. CMS stated that neither it nor the MACs have changed coverage for the blood tests that monitor for organ transplantation rejection when ordered by their physicians in medically appropriate circumstances, and explained that transplant patients would continue to have access to these blood tests, including: when there are signs or symptoms of rejection; after a physician-assessed pretest, including for surveillance testing; after an indeterminate biopsy; as a replacement for a biopsy when deemed clinically appropriate by the patient’s qualified physician; and for evaluation of the adequacy of immunosuppression.

AlloSure Kidney has received positive coverage decisions from several commercial payers, and is reimbursed by other private payers on a case-by-case basis.

Multiple studies have demonstrated that significant allograft injury can occur in the absence of changes in serum creatinine. Thus, clinicians have limited ability to detect injury early and intervene to prevent long-term damage using this marker. While histologic analysis of the allograft biopsy specimen remains the standard method used to assess injury and differentiate rejection from other injury in kidney transplants, as an invasive test with complications, repetitive biopsies are not well tolerated. AlloSure Kidney enables more frequent, quantitative and safer assessment of allograft rejection and injury status. Monitoring of graft injury through AlloSure Kidney allows clinicians to optimize allograft biopsies, identify allograft injury and guide immunosuppression management more accurately.

Since the analytical validation paper in the Journal of Molecular Diagnostics in 2016, there has been an increasing body of evidence supporting the use of AlloSure Kidney dd-cfDNA in the assessment and surveillance of kidney transplants. In June 2024, a publication in the high-impact journal Nature Medicine described the ability of AlloSure to predict rejection in numerous scenarios including subclinical rejection in stable patients. This same publication demonstrated the correlation with severity of rejection and also showed the value of use in surveillance for rejection in patients with multiple AlloSure tests.

The prospective multicenter trial, or the K-OAR study, completed with over 1,900 patients enrolled, monitors patients with AlloSure Kidney for 3 years with the objective of providing further evidence of clinical utility of AlloSure Kidney in the surveillance of kidney transplant recipients. Preliminary results from the K-OAR study have been part of at least 12 oral or poster presentations from conferences including the American Society of Nephrology and American Transplant Congress over the past few years. Data from the study, including contemporary control patients, are being analyzed for publication.

KidneyCare

KidneyCare combines the dd-cfDNA analysis of AlloSure Kidney with the gene expression profiling technology of AlloMap Kidney and the predictive artificial intelligence technology of iBox in one surveillance solution. We have yet to submit any applications to private payers for reimbursement coverage of AlloMap Kidney or iBox. In September 2019, we announced the enrollment of the first patient in the OKRA study, which is an extension of the K-OAR study. OKRA is a prospective, multi-center, observational registry of patients receiving KidneyCare for surveillance. There have been more than 1,900 patients enrolled in OKRA.

Heart

AlloMap Heart is a gene expression test that helps clinicians monitor and identify heart transplant recipients with stable graft function who have a low probability of moderate-to-severe acute cellular rejection. Since 2008, we have sought to expand the adoption and utilization of our AlloMap Heart solution through ongoing studies to substantiate the clinical utility and actionability of AlloMap Heart, secure positive reimbursement decisions from large private and public payers, develop and enhance our relationships with key members of the transplant community, including opinion leaders at major transplant centers, and explore opportunities and technologies for the development of additional solutions for post-transplant surveillance.

We believe the use of AlloMap Heart, in conjunction with other clinical indicators, can help healthcare providers and their patients better manage long-term care following a heart transplant, can improve patient care by helping healthcare providers avoid the use of unnecessary, invasive surveillance biopsies and may help to determine the appropriate dosage levels of immunosuppressants. In 2008, AlloMap Heart received 510(k) clearance from the U.S. Food and Drug Administration for marketing and sale as a test in heart transplant recipients who have stable graft function at the time of testing, to aid in the identification of those who have a low probability of moderate/severe acute cellular rejection at the time of testing, in conjunction with standard clinical assessment.

AlloMap Heart has been a covered service for Medicare beneficiaries since January 1, 2006. The Medicare reimbursement rate for AlloMap Heart is currently $3,240. In October 2020, we received a final MolDX Medicare coverage decision for AlloSure Heart. Noridian issued a parallel coverage policy granting coverage for AlloSure Heart when used in conjunction with AlloMap Heart, which became effective in December 2020. In 2021, Palmetto and Noridian issued coverage policies written by MolDX to replace the former product-specific policies. The common policy LCD is titled “MolDX: Molecular Testing for Solid Organ Allograft Rejection” and the associated LCD numbers are L38568 (MolDX) and L38629 (Noridian). The Medicare reimbursement rate for AlloSure Heart is currently $2,753. AlloMap Heart has received positive coverage decisions for reimbursement from many of the largest U.S. private payers.

Clinical validation data from the Donor-Derived Cell-Free DNA-Outcomes AlloMap Registry (NCT02178943), or D-OAR, was published in the American Journal of Transplantation, or AJT, in 2019. D-OAR was an observational, prospective, multicenter study to characterize the AlloSure Heart dd-cfDNA in a routine, clinical surveillance setting with heart transplant recipients. The D-OAR study validated that plasma levels of AlloSure Heart dd-cfDNA can discriminate acute rejection from no rejection, as determined by endomyocardial biopsy criteria.

We have also successfully completed several landmark clinical trials in the transplant field demonstrating the clinical utility of AlloMap Heart for surveillance of heart transplant recipients. We initially established the analytical and clinical validity of AlloMap Heart based on our Cardiac Allograft Rejection Gene Expression Observational (Deng, M. et al., Am. J. Transplantation 2006) study, which was published in the AJT. A subsequent clinical utility trial, Invasive Monitoring Attenuation through Gene Expression (Pham MX et al., N. Eng. J. Med., 2010), published in The New England Journal of Medicine, demonstrated that clinical outcomes in recipients managed with AlloMap Heart surveillance were equivalent (non-inferior) to outcomes in recipients managed with biopsies. The results of our clinical trials have also been presented at major medical society congresses. AlloMap Heart is now recommended as part of the International Society for Heart and Lung Transplantation, or ISHLT, guidelines.

HeartCare

HeartCare includes the gene expression profiling technology of AlloMap Heart with the dd-cfDNA analysis of AlloSure Heart in one surveillance solution. An approach to surveillance using HeartCare provides information from two complementary measures: (i) AlloMap Heart – a measure of immune activation, and (ii) AlloSure Heart – a measure of graft injury.

HeartCare provides robust information about distinct biological processes, such as immune quiescence, active injury, acute cellular rejection and antibody mediated rejection. In September 2018, we initiated the SHORE study, a prospective, multi-center, observational, registry of patients receiving HeartCare for surveillance. Patients enrolled in SHORE will be followed for 5 years with collection of clinical data and assessment of 5-year outcomes.

The ISHLT guidelines published online in 2022 reinforced the use of AlloMap Heart and referenced the combined use of AlloSure Heart and AlloMap Heart for surveillance purposes.

Effective April 1, 2023, HeartCare, a multimodality testing service that includes both AlloMap Heart and AlloSure Heart provided in a single patient encounter for heart transplant surveillance is covered for Medicare beneficiaries through the MolDX LCD (Noridian L38629). The Medicare reimbursement rate for HeartCare is $5,993. In May 2024, the first publication from the SHORE registry appeared in The Journal of Heart and Lung Transplantation, demonstrating the validity and utility of HeartCare to inform on the risk of rejection and reduce the use of invasive biopsies.

Lung

In February 2019, AlloSure Lung became available for lung transplant patients through a compassionate use program while the test was undergoing further studies. One of these studies, launched in April 2020, was led by clinicians at Johns Hopkins University and also included INOVA, University of Maryland, and UT San Antonio lung transplant programs. In this study, the impact of AlloSure Lung combined with RemoTraC was measured. AlloSure Lung applies proprietary next generation sequencing, or NGS, technology to measure dd-cfDNA from the donor lung in the recipient bloodstream to monitor graft injury. In October 2021, we launched AlloSure Lung. We have gained early coverage with some commercial payers. Effective May 9, 2023, AlloSure Lung is covered for Medicare beneficiaries through the MolDX LCD (Noridian L38629). The Medicare reimbursement rate for AlloSure Lung is $2,753.

Cellular Therapy

In April 2020, we initiated a research partnership for AlloCell, a surveillance solution that monitors the level of engraftment and persistence of allogeneic cells for patients who have received cell therapy. AlloCell is being commercialized through research agreements with biopharma companies developing cell therapies. In 2021, we executed multiple additional agreements with biopharma therapeutics companies to use AlloCell in research and clinical studies.

In July 2021, we launched the Assessing Chimerism and Relapse of Bone marrow/HCT transplant using AlloHeme Testing study, or the ACROBAT study. The ACROBAT study is a prospective, multicenter, observational cohort study to evaluate the use of AlloHeme, a microchimerism NGS tool to predict post-transplant relapse in patients with allogeneic hematopoietic cell transplants, or HCT. This study is fully enrolled with over 300 patients.

Products

We develop, manufacture, market and sell products that increase the chance of successful transplants by facilitating a better match between a solid organ or stem cell donor and a recipient, and help to provide post-transplant surveillance of these recipients.

Our product portfolio includes AlloSeq Tx, QTYPE, Olerup SSP, AlloSeq HCT, and AlloSeq cfDNA. QTYPE enables Human Leukocyte Antigen, or HLA, typing at a low to intermediate resolution for samples that require a fast turnaround time and uses real-time polymerase chain reaction, or PCR, methodology. Olerup SSP is used to type HLA alleles based on the sequence specific primer, or SSP, technology.

Our NGS products include: AlloSeq Tx, a high-resolution HLA typing solution; AlloSeq cfDNA, our surveillance solution designed to measure dd-cfDNA in blood to detect active rejection in transplant recipients; and AlloSeq HCT, an NGS solution for chimerism testing for stem cell transplant recipients.

We received CE mark authorization for AlloSeq cfDNA in January 2020. Our ability to increase the clinical uptake for AlloSeq cfDNA will be a result of multiple factors, including local clinical education, customer lab technical proficiency and levels of country-specific reimbursement.

In September 2019, we launched AlloSeq Tx, the first of its kind NGS high-resolution HLA typing solution utilizing hybrid capture technology. This technology enables the most comprehensive sequencing, covering more of the HLA genes than other solutions on the market and adding coverage of non-HLA genes that may impact transplant patient matching and management. AlloSeq Tx 17 received CE mark authorization in May 2020.

In June 2020, we launched AlloSeq HCT, an NGS solution for chimerism testing for stem cell transplant recipients. This technology has the potential to provide better sensitivity and data analysis compared to current solutions on the market. AlloSeq HCT received CE mark authorization in May 2022.

In May 2022, we commercially launched AlloSeq Tx9, a high throughput version of AlloSeq Tx17 for HLA typing in high volume laboratories. AlloSeqTx9 received CE mark authorization in August 2022.

In 2023, we continued to improve and progress our NGS product lines and software through exclusive and non-exclusive collaborations. Also in 2023, we notified our SSP customers of the future 'end of life' production phase out schedule.

Patient and Digital Solutions

In 2019, we began providing digital solutions to transplant centers following the acquisitions of Ottr and XynManagement.

In May 2019, we acquired 100% of the outstanding common stock of Ottr. Ottr was formed in 1993 and is a leading provider of transplant patient management software, or the Ottr software, which provides comprehensive solutions for transplant patient management. The Ottr software enables integration with electronic medical records, or EMR, systems, including Cerner and Epic, providing patient surveillance management tools and outcomes data to transplant centers.

In August 2019, we acquired 100% of the outstanding common stock of XynManagement. XynManagement provides two unique solutions, XynQAPI software, or XynQAPI, and XynCare. XynQAPI simplifies transplant quality tracking and Scientific Registry of Transplant Recipients reporting. Our XynCare offering includes a team of transplant assistants who maintain regular contact with patients on the waitlist to help prepare for their transplant and maintain eligibility.

In September 2020, we launched AlloCare, a mobile app that provides a patient-centric resource for transplant recipients to manage medication adherence, coordinate with Patient Care Managers for AlloSure scheduling, and measure health metrics.

In January 2021, we acquired TransChart. TransChart provides EMR software to hospitals throughout the United States to care for patients who have or may need an organ transplant. As part of our acquisition of TransChart in January 2021, we acquired Tx Access, a cloud-based service that allows nephrologists and dialysis centers to electronically submit referrals to transplant programs and closely follow and assist patients through the transplant waitlist process, and ultimately, through transplantation.

In June 2021, we acquired the Transplant Hero patient application. The application helps patients manage their medications through alarms and interactive logging of medication events.

In June 2021, we entered into a strategic agreement, which was amended in April 2022, with OrganX to develop clinical decision support tools across the transplant patient journey. Together, we and OrganX, will develop advanced analytics that integrate AlloSure with large transplant databases. This partnership delivers the next level of innovation by incorporating a variety of clinical inputs to create a universal composite scoring system.

In November 2021, we acquired MedActionPlan, a New Jersey-based provider of medication safety, medication adherence and patient education. MedActionPlan is a leader in patient medication management for transplant patients and beyond.

In December 2021, we acquired TTP, a transplant focused pharmacy located in Mississippi. TTP provides individualized transplant pharmacy services for patients at multiple transplant centers located throughout the U.S.

In January 2023, we acquired HLA Data Systems, a Texas-based company that provides software and interoperability solutions for the histocompatibility and immunogenetics community. HLA Data Systems is a leader in the laboratory information management industry for human leukocyte antigen laboratories.

In July 2023, we acquired MediGO, an organ transplant supply chain and logistics company. MediGO provides access to donated organs by digitally transforming donation and transplantation workflows to increase organ utilization.

Financial Operations Overview

Revenue

We derive our revenue from testing services, products sales, patient and digital solutions revenues. Revenue is recorded considering a five-step revenue recognition model that includes identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations and recognizing revenue when, or as, an entity satisfies a performance obligation.

Testing Services Revenue

Our testing services revenue is primarily derived from AlloSure Kidney, AlloMap Heart, AlloSure Heart and AlloSure Lung tests, which represented 73% and 75% of our total revenue for the three and nine months ended September 30, 2024, respectively, and 71% and 76% of our total revenue for the three and nine months ended September 30, 2023, respectively. Our testing services revenue depends on a number of factors, including (i) the number of tests performed; (ii) establishment of coverage policies by third-party insurers and government payers; (iii) our ability to collect from payers with whom we do not have positive coverage determination, which often requires that we pursue a case-by-case appeals process; (iv) our ability to recognize revenues on tests billed prior to the establishment of reimbursement policies, contracts or payment histories; and (v) how quickly we can successfully commercialize new product offerings.

Product Revenue

Our product revenue is primarily derived from sales of AlloSeq Tx, Olerup SSP and QTYPE products. Product revenue represented 12% of our total revenue for each of the three and nine months ended September 30, 2024, respectively, and 14% and 11% of our total revenue for the three and nine months ended September 30, 2023, respectively. We recognize product revenue from the sale of products to end-users, distributors and strategic partners when all revenue recognition criteria are satisfied. We generally have a contract or a purchase order from a customer with the specified required terms of order, including the number of products ordered. Transaction prices are determinable in the contract. The products are delivered and risk of loss passed to the customer upon either shipping or delivery, as per the terms of the agreement. There are no further performance obligations related to a contract and revenue is recognized at the point of delivery consistent with the terms of the contract or purchase order.

Patient and Digital Solutions Revenue

Our patient and digital solutions revenue is primarily derived from sales of our Ottr software, XynQAPI, MedActionPlan, mTilda (HLA Data Systems), MediGO, TransChart and Tx Access licenses, services and SaaS agreements across the digital portfolio, as well as our pharmacy sales at TTP. Patient and digital solutions revenue represented 14% and 13% of our total revenue for the three and nine months ended September 30, 2024, respectively, and 15% and 13% of our total revenue for the three and nine months ended September 30, 2023, respectively.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. The preparation of these unaudited condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in Note 2 of the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Some of these accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. We believe that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our financial statements. We believe the following critical accounting policies are affected by significant judgments and estimates used in the preparation of our unaudited condensed consolidated financial statements:

- Revenue recognition;
- Business combinations;
- Acquired intangible assets;

- Impairment of goodwill, intangible assets and other long-lived assets; and
- Stock-based compensation.

There were no material changes in the matters for which we make critical accounting estimates in the preparation of our unaudited condensed consolidated financial statements during the three and nine months ended September 30, 2024, respectively, as compared to those disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024.

Recently Issued Accounting Standards

Refer to Note 2, Summary of Significant Accounting Policies - Recent Accounting Pronouncements, to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a description of recently issued accounting pronouncements, including the expected dates of adoption and estimated effects on our results of operations, financial position and cash flows.

Results of Operations

Comparison of the Three Months Ended September 30, 2024 and 2023

(In thousands)

	Three Months Ended September 30,		
	2024	2023	Change
Revenue:			
Testing services revenue	$ 60,807	$ 47,784	$ 13,023
Product revenue	10,212	9,536	676
Patient and digital solutions revenue	11,864	9,872	1,992
Total revenue	82,883	67,192	15,691
Operating expenses:			
Cost of testing services	13,447	13,217	230
Cost of product	6,212	4,750	1,462
Cost of patient and digital solutions	7,913	6,566	1,347
Research and development	17,486	19,000	(1,514)
Sales and marketing	19,802	18,474	1,328
General and administrative	28,515	33,968	(5,453)
Total operating expenses	93,375	95,975	(2,600)
Loss from operations	(10,492)	(28,783)	18,291
Other income:			
Interest income, net	3,001	3,171	(170)
Other income, net	283	2,047	(1,764)
Total other income	3,284	5,218	(1,934)
Loss before income taxes	(7,208)	(23,565)	16,357
Income tax (expense) benefit	(200)	80	(280)
Net loss	$ (7,408)	$ (23,485)	$ 16,077

Testing Services Revenue

Testing services revenue increased by $13.0 million, or 27%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase is primarily driven by testing services volume growth of 16% and an average selling price increase related to increased coverage and collections.

Product Revenue

Product revenue increased by $0.7 million, or 7%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase is primarily due to higher sales of our commercial NGS-based kitted solutions.

Patient and Digital Solutions Revenue

Patient and digital solutions revenue increased by $2.0 million, or 20%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase was mainly driven by revenue generated from the Pharmacy and the acquired business of HLA Data Systems.

Cost of Testing Services

Cost of testing services increased by $0.2 million, or 2%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase is primarily driven by volume increase partially offset by improved laboratory operations driving lower expenses.

Cost of Product

Cost of product increased by $1.5 million, or 31%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase is primarily due to increased sales of our commercial NGS-based kitted solutions.

Cost of Patient and Digital Solutions

Cost of patient and digital solutions increased by $1.3 million, or 21%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase is primarily associated with the revenue growth in the patient and digital solution.

Research and Development

Research and development expenses decreased by $1.5 million, or (8)%, for the three months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to a decrease in consulting expenses of $0.7 million and a decrease in clinical trials expenses of $1.3 million, offset by an increase in personnel-related costs of $0.7 million.

Sales and Marketing

Sales and marketing expenses increased by $1.3 million, or 7%, for the three months ended September 30, 2024, compared to the same period in 2023. The increase is primarily due to an increase in personnel-related costs of $1.0 million and an increase in marketing and trade show expenses of $0.5 million, offset by a decrease in stock-based compensation expense of $0.3 million.

General and Administrative

General and administrative expenses decreased by $5.5 million, or (16)%, for the three months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to a decrease in legal expenses of $8.2 million, offset by an increase in personnel-related costs of $2.8 million.

Interest income, net

Interest income, net decreased by $0.2 million for the three months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to a decrease in interest rates.

Other income, net

Other income, net decreased by $1.8 million for the three months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to the following events that occurred during the third quarter of 2023: a $1.0 million gain from settlement of an obligation and a $1.1 million gain from the recovery of an impaired loan that was already written-off, offset by a decrease in unrealized investment loss of $0.3 million.

Income tax (expense) benefit

Income tax benefit decreased by $0.3 million for the three months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily attributable to a change in mixed profit (loss) across jurisdictions, tax benefits recognized on change in estimates related to prior year tax expenses and change in valuation allowance.

Comparison of the Nine Months Ended September 30, 2024 and 2023

(In thousands)

	Nine Months Ended September 30,		
	2024	2023	Change
Revenue:			
Testing services revenue	$ 185,562	$ 162,982	$ 22,580
Product revenue	29,416	24,273	5,143
Patient and digital solutions revenue	32,228	27,500	4,728
Total revenue	247,206	214,755	32,451
Operating expenses:			
Cost of testing services	41,387	43,837	(2,450)
Cost of product	17,801	12,742	5,059
Cost of patient and digital solutions	22,264	19,807	2,457
Research and development	55,875	63,590	(7,715)
Sales and marketing	60,634	63,335	(2,701)
General and administrative	83,104	91,327	(8,223)
Restructuring costs	68	848	(780)
Total operating expenses	281,133	295,486	(14,353)
Loss from operations	(33,927)	(80,731)	46,804
Other income:			
Interest income, net	8,712	8,708	4
Change in estimated fair value of common stock warrant liability	—	10	(10)
Other expense, net	(107)	(198)	91
Total other income	8,605	8,520	85
Loss before income taxes	(25,322)	(72,211)	46,889
Income tax (expense) benefit	(139)	24	(163)
Net loss	$ (25,461)	$ (72,187)	$ 46,726

Testing Services Revenue

Testing services revenue increased by $22.6 million, or 14%, for the nine months ended September 30, 2024, compared to the same period in 2023. Revenue increase is primarily driven by testing services volume growth of 4%, increased collections related to tests performed in prior periods and revenue recognized during the second quarter of 2024 for specific tests performed in prior periods as per ASC 606.

Product Revenue

Product revenue increased by $5.1 million, or 21%, for the nine months ended September 30, 2024, compared to the same period in 2023. The increase is primarily due to higher sales of our commercial NGS-based kitted solutions.

Patient and Digital Solutions Revenue

Patient and digital solutions revenue increased by $4.7 million, or 17%, for the nine months ended September 30, 2024, compared to the same period in 2023. The increase was mainly driven by revenue generated from HLA Data Systems, MediGO, Transplant Pharmacy and other core digital offerings.

Cost of Testing Services

Cost of testing services decreased by $2.5 million, or (6)%, for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily driven by efficiency measures to lower laboratory expenses.

Cost of Product

Cost of product increased by $5.1 million, or 40%, for the nine months ended September 30, 2024, compared to the same period in 2023. The increase is primarily due to increased sales of our commercial NGS-based kitted solutions.

Cost of Patient and Digital Solutions

Cost of patient and digital solutions increased by $2.5 million, or 12%, for the nine months ended September 30, 2024, compared to the same period in 2023. The increase is primarily associated with the revenue growth in the patient and digital solution.

Research and Development

Research and development expenses decreased by $7.7 million, or (12)%, for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to a decrease in clinical trials expenses of $4.2 million, a decrease in consulting expenses of $1.4 million, a decrease in equipment expenses of $0.5 million, a decrease in reagents and consumables expenses of $0.2 million and a decrease in software costs of $0.7 million.

Sales and Marketing

Sales and marketing expenses decreased by $2.7 million, or (4)%, for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to a decrease in personnel-related costs of $0.5 million, a decrease in stock-based compensation expense of $0.8 million and a decrease in marketing and tradeshow expenses of $1.4 million.

General and Administrative

General and administrative expenses decreased by $8.2 million, or (9)%, for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily due to a decrease in legal expenses of $16.1 million and a decrease in office related expenses of $0.7 million, offset by an increase in personnel-related costs of $6.9 million and an increase in stock-based compensation expense of $2.3 million.

Restructuring costs

The restructuring costs decreased by $0.8 million for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease is due to the $0.8 million restructuring charges during the second quarter of 2023, which related to employee severance pay and related costs.

Income tax (expense) benefit

Income tax benefit decreased by $0.2 million for the nine months ended September 30, 2024, compared to the same period in 2023. The decrease is primarily attributable to a change in mixed profit (loss) across jurisdictions, tax benefits recognized on change in estimates related to prior year tax expenses and change in valuation allowance.

Cash Flows for the Nine Months Ended September 30, 2024 and 2023

The following table summarizes the primary sources and uses of cash for the periods presented:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 16,159	$ (10,007)
Investing activities	1,628	(921)
Financing activities	(4,703)	(2,729)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	125	(224)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 13,209	$ (13,881)

Operating Activities

Net cash provided by operating activities consists of net loss, adjusted for certain noncash items in the condensed consolidated statements of operations and changes in operating assets and liabilities.

Cash provided by operating activities for the nine months ended September 30, 2024 was $16.2 million. Net operating assets decreased by $15.6 million. Our noncash items included $40.2 million in stock-based compensation expense, $10.8 million of depreciation and amortization expense, $4.2 million of amortization of right-of-use assets, $0.8 million of revaluation of contingent consideration to estimated fair value, and $1.2 million of amortization of premium on short-term marketable securities, net.

Cash used in operating activities for the nine months ended September 30, 2023 was $10.0 million. Net operating assets increased $9.9 million. Our noncash items included $39.1 million in stock-based compensation expense, $10.8 million of depreciation and amortization expense, $4.0 million of amortization of right-of-use assets, $1.2 million of unrealized loss on long-term marketable equity securities, $1.0 million of asset impairment and write-downs, $1.7 million of revaluation of contingent consideration to estimated fair value, $3.4 million of amortization of premium on short-term marketable securities, net, and $2.1 million of other gains.

Investing Activities

For the nine months ended September 30, 2024, net cash provided by investing activities of $1.6 million was primarily related to proceeds from maturities of marketable securities of $149.8 million, offset by purchases of marketable securities of $143.2 million, and $5.0 million related to additions of capital expenditures, net.

For the nine months ended September 30, 2023, net cash used in investing activities of $0.9 million was primarily related to purchases of marketable securities of $192.1 million, $6.8 million related to additions of capital expenditures, net and $6.7 million related to acquisition of business, net of cash acquired, offset by proceeds from maturities of marketable securities of $206.5 million.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2024 of $4.7 million was primarily due to taxes paid related to net share settlements of restricted stock units of $6.5 million, repurchase and retirement of common stock of $0.5 million and payments of contingent consideration of $2.4 million. These payments were offset by proceeds from issuances of common stock under our employee stock purchase plan of $1.4 million and proceeds from exercise of stock options of $3.3 million.

Net cash used in financing activities for the nine months ended September 30, 2023 of $2.7 million was primarily due to taxes paid related to net share settlements of restricted stock units of $2.5 million, repurchase and retirement of common stock of $1.6 million and payments of contingent consideration of $0.2 million. These payments were offset by proceeds from issuances of common stock under our employee stock purchase plan of $1.5 million and proceeds from exercises of stock options of $0.1 million.

Liquidity and Capital Resources

We have incurred significant losses and negative cash flows from operations since our inception and had an accumulated deficit of $704.3 million at September 30, 2024. As of September 30, 2024, we had cash, cash equivalents and marketable securities of $240.9 million and no debt outstanding.

With our continuing growth, we may require additional financing in the future to fund working capital and our development of future products. Additional financing might include issuance of equity securities, including through underwritten public offerings or “at-the-market” offerings, debt offerings or financings or a combination of these financings. There can be no assurance that we will be successful in acquiring additional funding at levels sufficient to fund our operations or on terms favorable to us. We believe our existing cash balance and expected cash from existing operations, including cash from current license agreements and future license and collaboration agreements, or a combination of these, will be sufficient to meet our anticipated cash requirements for the next 12 months.

Shelf Registration Statement

On May 10, 2023, we filed a universal shelf registration statement (File No. 333-271814), or the Registration Statement, and we thereafter filed post-effective amendments on May 9, 2024 and May 23, 2024. The SEC declared the Registration Statement effective on May 23, 2024, and as a result, we can sell from time to time up to $250.0 million of shares of our common stock, preferred stock, debt securities, warrants, units or rights comprised of any combination of these securities, for our own account in one or more offerings under the Registration Statement. The terms of any offering under the Registration Statement will be established at the time of such offering and will be described in a prospectus supplement to the Registration Statement filed with the SEC prior to the completion of any such offering.

Stock Repurchase Program

On December 3, 2022, our Board of Directors approved a stock repurchase program (the “Repurchase Program”), whereby we may purchase up to $50 million in shares of our common stock over a period of up to two years, commencing on December 8, 2022. The Repurchase Program may be carried out at the discretion of a committee of our Board of Directors through open market purchases, one or more Rule 10b5-1 trading plans and block trades and in privately negotiated transactions. During the nine months ended September 30, 2024, we purchased an aggregate of 55,500 shares of our common stock, under the Repurchase Program for an aggregate purchase price of $0.5 million. There were no repurchases during the three months ended

September 30, 2024. As of September 30, 2024, $21.4 million remained available for future share repurchases under the Repurchase Program.

Factors Affecting Our Performance

The Number of AlloMap Heart, AlloSure Lung, AlloSure Kidney and AlloSure Heart Tests We Receive and Report

The growth of our testing services is tied to the number of AlloSure Kidney, AlloSure Lung, AlloMap Heart and AlloSure Heart patient samples we receive and patient results we report. We incur costs in connection with collecting and shipping all samples and a portion of the costs when we cannot ultimately issue a report. As a result, the number of patient samples received largely correlates directly to the number of patient results reported.

AlloSure Kidney has been a covered service for Medicare beneficiaries since October 2017 through a LCD first issued by MolDX, which was formed to identify and establish coverage and reimbursement for molecular diagnostics tests, and then adopted by Noridian. The Medicare reimbursement rate for AlloSure Kidney is currently $2,841. AlloMap Heart has been a covered service for Medicare beneficiaries since January 2006. The Medicare reimbursement rate for AlloMap Heart is currently $3,240. In October 2020, we received a final MolDX Medicare coverage decision for AlloSure Heart. In November 2020, Noridian issued a parallel coverage policy granting coverage for AlloSure Heart when used in conjunction with AlloMap Heart, which became effective in December 2020. In 2021, Palmetto and Noridian issued coverage policies written by MolDX to replace the former product-specific policies. The foundational LCD is titled "MolDX: Molecular Testing for Solid Organ Allograft Rejection" and the associated LCD numbers are L38568 (MolDX) and L38629 (Noridian). The Medicare reimbursement rate for AlloSure Heart is currently $2,753. Effective May 9, 2023, AlloSure Lung is covered for Medicare beneficiaries through the same MolDX LCD (Noridian L38629). The Medicare reimbursement rate for AlloSure Lung is $2,753. Effective April 1, 2023, HeartCare, a multimodality testing service that includes both AlloMap Heart and AlloSure Heart provided in a single patient encounter for heart transplant surveillance, is covered, subject to certain limitations, for Medicare beneficiaries through the same MolDX LCD (Noridian L38629). The Medicare reimbursement rate for HeartCare is $5,993.

On August 10, 2023, MolDX and Noridian released a draft proposed revision to the LCD (DL38568, Palmetto; DL38629, Noridian) that, if adopted, would revise the existing foundational LCD, MolDX: Molecular Testing for Solid Organ Allograft Rejection (L38568 and L38629). On August 16, 2024, CMS issued a press release entitled "MolDX Local Coverage Determination Statement," announcing that after careful consideration of the feedback received from interested parties, as well as the public comments and further review of evidence, the MACs decided not to finalize the proposed LCD issued on August 10, 2023. CMS further stated that due to the importance of identifying solid organ allograft rejection early and to ensure the public has additional opportunities to comment on the policy, the MACs intend to issue a new LCD in the coming months. CMS stated that neither it nor the MACs have changed coverage for the blood tests that monitor for organ transplantation rejection when ordered by their physicians in medically appropriate circumstances, and explained that transplant patients would continue to have access to these blood tests, including: when there are signs or symptoms of rejection; after a physician-assessed pretest, including for surveillance testing; after an indeterminate biopsy; as a replacement for a biopsy when deemed clinically appropriate by the patient's qualified physician; and for evaluation of the adequacy of immunosuppression.

AlloSure Kidney has received positive coverage decisions from several commercial payers, and is reimbursed by other private payers on a case-by-case basis.

Reimbursement for AlloMap Heart

AlloMap Heart test volume and the corresponding reimbursement revenue has generally increased over time since the launch of AlloMap Heart, as the ISHLT included AlloMap in its guidelines and payers adopted coverage policies and no longer consider AlloMap Heart to be experimental and investigational. The rate at which our tests are covered and reimbursed has varied, and is expected to continue to vary by payer. Revenue growth depends on our ability to maintain Medicare and third-party payer reimbursement, and to expand utilization by healthcare providers. See the discussion above under "*The Number of AlloMap Heart, AlloSure Lung, AlloSure Kidney and AlloSure Heart Tests We Receive and Report*".

The Protecting Access to Medicare Act of 2014, or PAMA, included a substantial new payment system for clinical laboratory tests under the Clinical Laboratory Fee Schedule, or CLFS. Under PAMA, laboratories that receive the majority of their Medicare revenues from payments made under the CLFS would report initially and then on a subsequent three-year basis thereafter (or annually for advanced diagnostic laboratory tests, or ADLTs), private payer payment rates and volumes for their tests. The final PAMA ruling was issued on June 17, 2016 indicating that data for reporting for the new PAMA process would begin in 2017 and the new market-based rates took effect on January 1, 2018. Effective January 1, 2018, Medicare reimburses us $3,240 for AlloMap Heart testing of Medicare beneficiaries, an increase from the 2017 reimbursement rate of $2,841. The CARES Act froze then-current (2020) CMS CLFS rates through 2021. Further, the CARES Act delayed the reporting cycle under PAMA to January 1 and March 31, 2022. The next data collection period is January 1 through June 30, 2024.

AlloMap Heart has also received positive coverage decisions for reimbursement from many of the largest U.S. private payers.

Reimbursement for AlloSure Kidney

On September 26, 2017, we received notice that the MolDX Program developed by Palmetto GBA had set AlloSure Kidney reimbursement at $2,841. Effective October 9, 2017, AlloSure Kidney was made available for commercial testing with Medicare coverage and reimbursement. See the discussion above under "*The Number of AlloMap Heart, AlloSure Lung, AlloSure Kidney and AlloSure Heart Tests We Receive and Report*". We believe the use of AlloSure Kidney, in conjunction with other clinical indicators, can help healthcare providers and their patients better manage long-term care following a kidney transplant. In particular, we believe AlloSure Kidney can improve patient care by helping healthcare providers to reduce the use of invasive biopsies and determine the appropriate dosage levels of immunosuppressants.

Reimbursement for AlloSure Heart

In October 2020, we received a final Palmetto MolDX Medicare coverage decision for AlloSure Heart. In November 2020, Noridian Healthcare Solutions, our Medicare Administrative Contractor, issued a parallel coverage policy granting coverage when used in conjunction with AlloMap Heart, which became effective in December 2020. The Medicare reimbursement rate for AlloSure Heart is currently $2,753. See the discussion above under "*The Number of AlloMap Heart, AlloSure Lung, AlloSure Kidney and AlloSure Heart Tests We Receive and Report*".

Reimbursement for HeartCare

Effective April 1, 2023, HeartCare, a multimodality testing service that includes both AlloMap Heart and AlloSure Heart provided in a single patient encounter for heart transplant surveillance is covered for Medicare beneficiaries through the MolDX LCD (Noridian L38629). The Medicare reimbursement rate for HeartCare is $5,993.

Reimbursement for AlloSure Lung

Effective May 9, 2023, AlloSure Lung is covered for Medicare beneficiaries through the MolDX LCD (Noridian L38629). The Medicare reimbursement rate for AlloSure Lung is $2,753. See the discussion above under "*The Number of AlloMap Heart, AlloSure Lung, AlloSure Kidney and AlloSure Heart Tests We Receive and Report*".

Continued Growth of Product Sales

We develop, manufacture, market and sell products that increase the chance of successful transplants by facilitating a better match between a donor and a recipient of stem cells and solid organs.

Our historical product portfolio includes QTYPE and Olerup SSP. QTYPE enables speed and precision in HLA typing at a low to intermediate resolution for samples that require a fast turnaround time and uses real-time PCR methodology. QTYPE received CE mark certification on April 10, 2018. Olerup SSP is used to type HLA alleles based on the SSP technology.

On May 4, 2018, we entered into a license and collaboration agreement with Illumina, which provides us with worldwide distribution, development and commercialization rights to Illumina's NGS product line for use in transplantation diagnostic testing. As a result, on June 1, 2018, we became the exclusive worldwide distributor of Illumina's TruSight HLA product line. TruSight HLA was discontinued in December 2021 and we have progressively converted existing customers to AlloSeq Tx. In addition, we were granted the exclusive right to develop and commercialize other NGS product lines in the field of bone marrow and solid organ transplantation on diagnostic testing. These NGS products include: AlloSeq Tx, a high-resolution HLA typing solution, AlloSeq cfDNA, our surveillance solution designed to measure dd-cfDNA in blood to detect active rejection in transplant recipients, and AlloSeq HCT, an NGS solution for chimerism testing for stem cell transplant recipients.

In September 2019, we launched AlloSeq cfDNA, our surveillance solution designed to measure dd-cfDNA in blood to detect active rejection in transplant recipients, which received CE mark authorization on January 20, 2020. Our ability to increase the clinical uptake for AlloSeq cfDNA will be a result of multiple factors, including local clinical education, customer lab technical proficiency and levels of country-specific reimbursement.

Also in September 2019, we commercially launched AlloSeq Tx, the first of its kind NGS high-resolution HLA typing solution utilizing hybrid capture technology. This technology enables the most comprehensive sequencing, covering more of the HLA genes than current solutions and adding coverage of non-HLA genes that may impact transplant patient matching and management. AlloSeq Tx has a simple NGS workflow that reduces complexity and can reduce errors. AlloSeq Tx 17 received CE mark authorization on May 15, 2020.

In June 2020, we launched AlloSeq HCT, an NGS solution for chimerism testing for stem cell transplant recipients. This technology has the potential to provide better sensitivity and data analysis compared to current solutions on the market. AlloSeq HCT received CE mark authorization in May 2022.

Continued Growth of Patient and Digital Sales

The growth of our patient and digital revenues is tied to the continued successful implementation of our Ottr, MedActionPlan and XynQAPI software businesses, as well as continued support and maintenance of existing MedActionPlan, Ottr and XynManagement customers. The Ottr software, TransChart, Tx Access and XynQAPI are currently implemented in multiple locations in the U.S. The Ottr software implementation and XynQAPI implementation and support teams are based in Omaha, Nebraska. In addition, patient solutions offered by TTP in Flowood, Mississippi include hospital-affiliated pharmacies located on-site at the transplant center and specialty pharmacies that provide transplant-specific care and dispensing services. With the addition of HLA Data Systems, we are now able to support HLA laboratories in managing their day-to-day workflow. With the addition of MediGO, we are now serving the organ procurement market for organ logistical needs.

Development of Additional Services and Products

Our development pipeline includes other solutions to help clinicians and transplant centers make personalized treatment decisions throughout a transplant patient's lifetime. We expect to invest in research and development in order to develop additional services and products. Our success in developing new services and products will be important in our efforts to grow our business by expanding our potential market opportunity and diversifying our sources of revenue.

Timing of Research and Development Expenses

Our spending on research and development may vary substantially from quarter to quarter. We conduct clinical studies to validate our new products, as well as on-going clinical and outcome studies to further the published evidence to support our commercialized tests. Spending on research and development for both experiments and studies may vary significantly by quarter depending on the timing of these various expenses.

Contractual Obligations

For a discussion regarding our significant contractual obligations as of September 30, 2024 and the effect those obligations are expected to have on our liquidity and cash flows in future periods, refer to Note 9 of the unaudited condensed consolidated financial statements and the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*", respectively, included elsewhere in this Quarterly Report on Form 10-Q.

Foreign Operations

The accompanying unaudited condensed consolidated balance sheets contain certain recorded assets in foreign countries, namely Stockholm, Sweden and Fremantle, Australia. Although these countries are considered economically stable and we have experienced no notable burden from foreign exchange transactions, export duties, government regulations or unanticipated events in foreign countries could have a material adverse effect on our operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. We had cash, cash equivalents and marketable securities of $240.9 million at September 30, 2024, which consisted of bank deposits, money market funds and corporate debt securities, and we had cash and cash equivalents and marketable securities of $235.4 million at December 31, 2023, which consisted of bank deposits, money market funds and corporate debt securities. However, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 100 basis point increase or decrease in interest rates during any of the periods presented would have an approximate impact of $2.4 million on our unaudited condensed consolidated financial statements.

Foreign Currency Exchange Risk

We have operations in Sweden and Australia and sell to other countries throughout the world. As a result, we are subject to significant foreign currency risks, including transacting in foreign currencies, investment in a foreign entity, as well as assets and debts denominated in foreign currencies. Our testing services revenue is primarily denominated in U.S. dollars. Our product revenue is denominated primarily in U.S. dollars and the Euro. Our patient and digital solutions revenue is primarily denominated in U.S. dollars. Consequently, our revenue denominated in foreign currency is subject to foreign currency exchange risk. A portion of our operating expenses are incurred outside of the U.S. and are denominated in Swedish Krona, the Euro and the Australian Dollar, which are also subject to fluctuations due to changes in foreign currency exchange rates. An unfavorable 10% change in foreign currency exchange rates for our assets and liabilities denominated in foreign currencies at September 30, 2024, would have negatively impacted our financial results for the nine months ended September 30, 2024 by $0.3 million and our product revenue by $1.1 million. Currently, we do not have any near-term plans to enter into a formal hedging program to mitigate the effects of foreign currency volatility. We will continue to reassess our approach to managing our risk relating to fluctuations in foreign currency exchange rates.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, including our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures, as such terms are defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act, as of September 30, 2024. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. Based on such evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2024, in light of the material weaknesses identified in our internal control over financial reporting, our disclosure controls and procedures were not effective at the reasonable assurance level and are not effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Exchange Act, is (i) recorded, processed, summarized and reported as and when required and (ii) accumulated and communicated to our management, including the principal executive officer and principal financial officer, as appropriate to allow timely discussion regarding required disclosure.

Previously Reported Material Weaknesses

As disclosed in Item 9A, “Controls and Procedures” within our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 28, 2024, the following material weaknesses were identified as of December 31, 2023:

General Information Technology Controls. We did not design and maintain effective general information technology controls, or GITCs, for information systems and applications that are relevant to the preparation of the consolidated financial statements. Specifically, we did not design and maintain: (i) sufficient user access controls to ensure appropriate segregation of duties, logical access controls to prevent unauthorized user access and adequately restrict user and privileged access to financial applications, programs and data to appropriate Company personnel; (ii) program change management controls to ensure that information technology, or IT, program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately with appropriate segregation of duties; and (iii) computer and network operations controls to ensure that batch and interface jobs are monitored and privileges are appropriately granted, authorized and monitored. As a result, business process controls (automated and manual) that are dependent on the ineffective GITCs, or that rely on data produced from systems impacted by the ineffective GITCs, are also deemed ineffective, which affects substantially all financial statement account balances and disclosures.

Purchase Order Approval Workflow. We did not design and maintain effective process-level control activities related to procurement to ensure appropriate approval of purchase orders, which could affect the amount and classification of costs capitalized or expensed.

COSO Framework. We did not fully maintain components of the COSO framework, including elements of the control environment, information and communication, and control activities and monitoring activities components, relating to: (i) sufficiency of competent personnel to perform internal control activities and support the achievement of our internal control objectives; (ii) enforcing accountability of personnel for the performance of their internal control responsibilities across the organization in the pursuit of objectives; (iii) designing and maintaining general control activities over technology to support the achievement of our internal control objectives; (iv) performing control activities in accordance with established policies in a timely manner; and (v) performing sufficient reviews of information to assess its relevance, accuracy, and completeness in supporting the internal control components. As such, our management concluded that we did not have an adequate process in place to complete its assessment of the design and operating effectiveness of internal control over financial reporting in a timely manner.

After giving full consideration to these material weaknesses, and the additional analyses and other procedures we performed to ensure that our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q were prepared in accordance with U.S. GAAP, our management has concluded that our condensed consolidated financial statements present fairly, in all material respects, our financial position, results of operations and cash flows for the periods disclosed in conformity with U.S. GAAP.

Management's Plan to Remediate the Material Weaknesses

Our management is committed to maintaining a strong internal control environment. In response to the material weaknesses described above, our management is continuing to take actions to remediate the material weaknesses in internal control over financial reporting, which include but are not limited to the following:

- Continuing to enhance the design and control procedures of the GITCs to ensure that the control activities related to GITCs are functioning appropriately.
- Continuing to implement training to ensure a clear understanding of risk assessment, control execution, and monitoring activities related to financial reporting and continue driving accountability of Sarbanes-Oxley Act of 2002 control activities.
- Continuing to focus on controls execution and monitoring activities of internal controls related to the procure-to-pay process.
- Continuing to expand the available resources at the Company with experience designing and implementing control activities, including GITCs, through hiring and use of third-party consultants and specialists.

Management is taking steps to enhance our internal control over financial reporting and remediate the material weaknesses identified during the year ended December 31, 2023. During the third quarter of 2024, we continued the testing of our existing and redesigned processes to assess our remediation progress. These controls will not be deemed effective until they are performed for a sufficient period and we test and conclude that the controls are operating effectively during the year. We believe the measures described above will remediate the material weaknesses identified during the year ending December 31, 2024. We cannot, however, provide any assurance that our remediation efforts will be successful or that our internal control over financial reporting will be effective because of these efforts. We are committed to continuing to improve our internal control processes and will continue to review, optimize, and enhance our control environment. As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address control deficiencies, or we may modify certain of the remediation measures described above. The Company will monitor the effectiveness of its remediation plan and refine its remediation plan as appropriate.

Changes in Internal Control over Financial Reporting

Other than the changes associated with the material weaknesses and remediation actions noted above, there have been no changes in our internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 9, *Commitments and Contingencies*, under the caption "Litigation and Indemnification Obligations", to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q is incorporated herein by reference.

ITEM 1A. RISK FACTORS

Our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission, or the SEC, on February 28, 2024, or the Form 10-K, Part I – Item 1A, Risk Factors, describes important risk factors that could cause our business, financial condition, results of operations and growth prospects to differ materially from those indicated or suggested by forward-looking statements made in this Quarterly Report on Form 10-Q or presented elsewhere by management from time to time. There have been no material changes in the risk factors that appear in Part I – Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC on February 28, 2024, other than those listed below. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business.

Risks Related to Our Business

We have a history of losses, and we expect to incur net losses for the next several years.

We have incurred substantial net losses since our inception, and we may continue to incur additional losses for the next several years. For the quarter ended September 30, 2024, our net loss was $7.4 million. As of September 30, 2024, we had an accumulated deficit of $704.3 million. We expect to continue to incur significant operating expenses and anticipate that our expenses will increase due to costs relating to, among other things:

- researching, developing, validating and commercializing potential new testing services, products and patient and digital solutions, including additional expenses in connection with our continuing development and commercialization of KidneyCare, HeartCare, AlloSeq, AiTraC and other future solutions;
- developing, presenting and publishing additional clinical and economic utility data intended to increase payer coverage and clinician adoption of our current and future solutions;
- expansion of our operating capabilities;
- maintenance, expansion and protection of our intellectual property portfolio and trade secrets;
- the process of fully integrating acquired companies and operations and the associated potential disruptions to our business;
- future clinical trials;
- expansion of the size and geographic reach of our sales force and our marketing capabilities to commercialize our existing and future solutions;
- employment of additional clinical, quality control, scientific, customer service, laboratory, billing and reimbursement and management personnel;
- compliance with existing and changing laws, regulations and standards, including those relating to corporate governance and public disclosure and regulations implemented by the SEC and The Nasdaq Stock Market LLC;
- ongoing litigation;
- employment of operational, financial, accounting and information systems personnel, consistent with expanding our operations and our status as a public company; and
- failure to achieve expected operating results may cause a future impairment of goodwill or other assets.

Even if we achieve significant revenues, we may not become profitable, and even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain consistently profitable could adversely affect the market price of our common stock and could significantly impair our ability to raise capital, expand our business or continue to pursue our growth strategy or even continue to operate. For a detailed discussion of our financial condition and results of operations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

We receive a substantial portion of our revenues from Medicare, and the loss of, or a significant reduction in, reimbursement from Medicare would severely and adversely affect our financial performance.

For the quarter ended September 30, 2024, revenue from Medicare for AlloMap Heart, AlloSure Heart, AlloSure Kidney, AlloSure Lung and HeartCare, represented 50% of testing services revenue. However, we may not be able to maintain or increase our tests reimbursed by Medicare for a variety of reasons, including changes in reimbursement practices, general policy shifts, or reductions in reimbursement amounts. We cannot predict whether Medicare reimbursements will continue at the same payment amount or with the same breadth of coverage in the future, if at all.

The Protecting Access to Medicare Act of 2014, or PAMA, included a substantial new payment system for clinical laboratory tests under the Clinical Laboratory Fee Schedule, or CLFS. Under PAMA, the reimbursement rate for AlloMap Heart is currently $3,240 for Medicare beneficiaries.

AlloSure Kidney has been a covered service for Medicare beneficiaries since October 2017 through a Local Coverage Determination, or LCD, first issued by Palmetto MolDX, or MolDX, which was formed to identify and establish coverage and reimbursement for molecular diagnostics tests, and then adopted by Noridian Healthcare Solutions, our Medicare Administrative Contractor, or Noridian. The Medicare reimbursement rate for AlloSure Kidney is currently $2,841.

On August 10, 2023, MolDX and Noridian released a draft proposed revision to the LCD (DL38568, Palmetto; DL38629, Noridian) that, if adopted, would revise the existing foundational LCD, MolDX: Molecular Testing for Solid Organ Allograft Rejection (L38568 and L38629). On August 16, 2024, CMS issued a press release entitled "MolDX Local Coverage Determination Statement," announcing that after careful consideration of the feedback received from interested parties, as well as the public comments and further review of evidence, the MACs decided not to finalize the proposed LCD issued on August 10, 2023. CMS further stated that due to the importance of identifying solid organ allograft rejection early and to ensure the public has additional opportunities to comment on the policy, the MACs intend to issue a new LCD in the coming months. CMS stated that neither it nor the MACs have changed coverage for the blood tests that monitor for organ transplantation rejection when ordered by their physicians in medically appropriate circumstances, and explained that transplant patients would continue to have access to these blood tests, including: when there are signs or symptoms of rejection; after a physician-assessed pretest, including for surveillance testing; after an indeterminate biopsy; as a replacement for a biopsy when deemed clinically appropriate by the patient's qualified physician; and for evaluation of the adequacy of immunosuppression.

If future reimbursement price levels are less than the current price, our revenues and our ability to achieve profitability could be impaired, and the market price of our common stock could decline. We may also not be able to maintain or increase the portion of our tests reimbursed by Medicare for a variety of other reasons, including changes in reimbursement practices and general policy shifts.

On a five-year rotational basis, Medicare requests bids for its regional Medicare Administrative Contractors, or MAC, services. The MAC for California is currently Noridian Healthcare Solutions. Our current Medicare coverage through Noridian provides for reimbursement for tests performed for qualifying Medicare patients throughout the U.S. so long as the tests are performed in our California laboratory. We cannot predict whether Noridian or any future MAC will continue to provide reimbursement for AlloMap Heart, AlloSure Kidney, AlloSure Heart or AlloSure Lung at the same payment amount or with the same breadth of coverage in the future, if at all. Additional changes in the MAC processing Medicare claims for AlloSure Kidney, AlloMap Heart, AlloSure Heart or AlloSure Lung could impact the coverage or payment amount for our tests and our ability to obtain Medicare coverage for any products we may launch in the future.

Any decision by the Centers for Medicare and Medicaid Services, or CMS, or its local contractors to reduce or deny coverage for our tests would have a significant adverse effect on our revenue and results of operations and ability to operate and raise capital. Any such decision could also cause affected clinicians treating Medicare-covered patients to reduce or discontinue the use of our tests.

We are and could become subject to legal proceedings that could be time-consuming, result in costly litigation and settlements/judgments, require significant amounts of management attention and result in the diversion of significant operational resources, which could adversely affect our business, financial condition and results of operations.

We have in the past been, and from time to time in the future may become, involved in lawsuits, claims and proceedings incident to the ordinary course of, or otherwise in connection with, our business. For example, in response to our false advertising suit filed against Natera Inc., or Natera, on April 10, 2019, Natera filed a counterclaim against us on February 18, 2020 in the U.S. District Court for the District of Delaware, or the Court, alleging we made false and misleading claims about the performance capabilities of AlloSure. The trial concluded on March 14, 2022, with the jury finding that Natera violated the Lanham Act by falsely advertising the scientific performance of its Prospera transplant test and awarding us $44.9 million in damages, comprised of $21.2 million in compensatory damages and $23.7 million in punitive damages. In July 2023, the Court upheld and reaffirmed the March 2022 jury verdict but did not uphold the monetary damages awarded by the jury. Both parties

have appealed. On October 8, 2024, the United States Court of Appeals for the Third Circuit remanded the case to make additional filings. Our appeal may be unsuccessful or, if it is successful and the damages are upheld, we may be unable to collect any monetary damages. In August 2023, the Court issued an injunction prohibiting Natera from making the claims the jury previously found to be false advertising.

On July 19, 2022, the United States Court of Appeals for the Federal Circuit affirmed the Court's judgment dismissing our patent infringement suit against Natera. In May 2023, we submitted a petition of certiorari to the U.S. Supreme Court for consideration of the patent infringement suit and in October 2023, the U.S. Supreme Court declined to hear our suit.

In addition, in response to our patent infringement suit filed against Natera on March 26, 2019, Natera filed suit against us on January 13, 2020 in the Court alleging, among other things, that AlloSure infringes Natera's U.S. Patent 10,526,658. This case was consolidated with our patent infringement suit on February 4, 2020. On March 25, 2020, Natera filed an amendment to the suit alleging, among other things, that AlloSure also infringes Natera's U.S. Patent 10,597,724. On May 13, 2022, Natera filed two new complaints alleging that AlloSure infringes Natera's U.S. Patents 10,655,180 and 11,111,544. These two cases were consolidated with the patent infringement case on June 15, 2022. On May 17, 2022, Natera agreed to dismiss the case alleging infringement of Natera's U.S. Patent 10,526,658. On September 6, 2022, we withdrew our motion to dismiss. On December 11, 2023, the Court dismissed Natera's U.S. Patent 10,597,724. Natera appealed that decision. On March 13, 2024, the Federal Circuit dismissed Natera's appeal after Natera failed to file its brief and other required papers. On May 30, 2024, Natera filed a second notice of appeal of the dismissal of U.S. Patent 10,597,724. On June 19, 2024, we moved to dismiss Natera's appeal. On September 11, 2024, the Federal Circuit denied that motion.

On January 26, 2024, following a five-day trial, a jury concluded that we did not infringe Natera's U.S. Patent 10,655,180 but did infringe Natera's U.S. Patent 11,111,544. The jury awarded Natera approximately $96.3 million in damages based on sales of AlloSure and AlloSeq between September 2021 and August 2023. Natera's U.S. Patent 11,111,544 expires in September 2026. Following trial, the parties engaged in discovery as to whether CareDx's current AlloSure process infringes the Natera's U.S. Patents 11,111,544. On September 11, 2024, Natera informed the Court that it was abandoning claims of ongoing infringement. Natera has moved for an injunction on our prior AlloSure process. We are opposing the motion. We are seeking judicial review of the verdict. Natera is also seeking judicial review of the jury's finding that we did not infringe Natera's U.S. Patent 10,655,180. We intend to defend these matters vigorously, and believe that we have good and substantial defenses to the claims alleged in the suits, but there is no guarantee that we will prevail.

Furthermore, on May 23, 2022, Plumbers & Pipefitters Local Union #295 Pension Fund filed a federal securities class action in the U.S. District Court for the Northern District of California against us; Reginald Seeto, our former President, Chief Executive Officer and member of our Board of Directors; Ankur Dhingra, our former Chief Financial Officer; Marcel Konrad, our former interim Chief Financial Officer and former Senior Vice President of Finance & Accounting; and Peter Maag, our former President, former Chief Executive Officer, former Chairman of our Board of Directors and current member of our Board of Directors. The action alleges that we and the individual defendants made materially false and/or misleading statements and/or omissions and that such statements violated Section 10(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Rule 10b-5 promulgated thereunder. The action also alleges that the individual defendants are liable pursuant to Section 20(a) of the Exchange Act as controlling persons of our Company. The suit seeks to recover damages caused by the alleged violations of federal securities laws, along with the plaintiffs' costs incurred in the lawsuit, including their reasonable attorneys' and experts' witness fees and other costs.

On August 25, 2022, the court appointed an investor group led by the Oklahoma Police Pension and Retirement System as lead plaintiffs and appointed Saxena White P.A. and Robbins Geller Rudman & Dowd LLP as lead counsels. Plaintiffs filed an amended complaint on November 28, 2022. On January 27, 2023, defendants moved to dismiss all claims and to strike certain allegations in the amended complaint. On May 24, 2023, the court granted our motion to strike and motion to dismiss, dismissing all claims against defendants with leave to amend. On June 28, 2023, plaintiffs filed a second amended complaint against us, Reginald Seeto, our former President, Chief Executive Officer and member of our Board of Directors; Ankur Dhingra, our former Chief Financial Officer; and Peter Maag, our former President, former Chief Executive Officer, former Chairman of our Board of Directors and current member of our Board of Directors. Under a briefing schedule ordered by the court on June 12, 2023, defendants filed a motion to dismiss and motion to strike the second amended complaint on July 26, 2023, plaintiffs' opposition was filed on August 30, 2023 and defendants' reply was filed on September 22, 2023. The court held oral argument on October 31, 2023. On September 18, 2024, the court granted our motion to dismiss the second amended complaint without prejudice, providing plaintiffs leave to file a third amended complaint by no later than October 2, 2024 (which deadline was subsequently extended by stipulation). On October 18, 2024, plaintiffs filed a third amended complaint, which again alleges that we and the individual defendants made materially false and/or misleading statements and/or omissions in violation of Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act. Among other things, plaintiffs removed former Chief Financial Officer, Ankur Dhingra, as a named defendant. The third amended complaint reiterates many of the same factual allegations as in prior complaints, but purports to add new allegations based on, among other things, a recently unsealed qui tam action filed by a former employee. Defendants' motion to dismiss the

third amended complaint is due on November 15, 2024. Plaintiffs' response is due on December 13, 2024, and defendants' reply is due on January 10, 2025. The hearing on the motion to dismiss has been scheduled for January 28, 2025. We intend to defend ourselves vigorously, and believe that we have good and substantial defenses to the claims alleged in the suit, but there is no guarantee that we will prevail. We have not recorded any liabilities for this suit.

On September 21, 2022, Jeffrey Edelman filed a stockholder derivative action complaint in the U.S. District Court for the Northern District of California, or the Edelman Derivative Action, against us as nominal defendant and Drs. Seeto and Maag and Mr. Dhingra, and other current and former members of our Board of Directors asserting, among other things, alleged breaches of fiduciary duty against the Individual Defendants based on the factual allegations of the Securities Class Action. On December 8, 2022, the court entered an order staying the Edelman Derivative Action subject to certain terms and conditions.

In addition, on February 7, 2023, Jaysen Stevenson filed a stockholder derivative action complaint in the U.S. District Court for the Northern District of California, or the Stevenson Derivative Action, against us as nominal defendant and Drs. Seeto and Maag and Mr. Dhingra, and other current and former members of our Board of Directors asserting substantially similar claims. On March 9, 2023, the court consolidated the Edelman Derivative Action and the Stevenson Derivative Action and stayed both actions pursuant to the terms of the stay order in the Edelman Derivative Action.

On February 8, 2024, Christian Jacobsen filed a stockholder derivative action complaint in the U.S. District Court for the Northern District of California, or the Jacobsen Derivative Action, against us as nominal defendant and Dr. Seeto, Mr. Dhingra, Dr. Maag, and other current and former members of our Board of Directors asserting substantially similar claims as the prior-filed derivative actions.

On March 19, 2024, the parties to the Jacobsen Derivative Action and the consolidated Edelman Derivative Action and Stevenson Derivative Action filed a stipulation and proposed order consolidating the Jacobsen Derivative Action with the consolidated Edelman Derivative Action and Stevenson Derivative Action and staying the Jacobsen Derivative Action pursuant to the terms of the stay order in the Edelman Derivative Action. On April 23, 2024, the court entered an order consolidating all three derivative actions, or the Consolidated Derivative Action. The order provides that all previous orders in the Edelman Derivative Action and the Stevenson Derivative Action shall apply to the Jacobsen Derivative Action.

On May 16, 2024, the court lifted the stay in the Consolidated Derivative Action. Under a scheduling order entered by the court on May 14, 2024, plaintiffs filed an amended complaint in the Consolidated Derivative Action on July 1, 2024. Pursuant to a briefing notice entered by the court on June 17, 2024, defendants filed a motion to dismiss the amended complaint and an unopposed motion to stay discovery in the Consolidated Derivative Action on August 30, 2024. On October 10, 2024 the court held a case management conference to discuss the impact of the Securities Class Action on the Consolidated Derivative Action. On October 17, 2024, the parties submitted a proposed schedule to the court for approval. On October 18, 2024, the court entered a revised schedule. Under the schedule, plaintiffs' deadline to file a second amended complaint is November 8, 2024, and defendants' deadline to file an answer or otherwise respond to the second amended complaint is December 13, 2024. Plaintiffs' opposition papers are due on January 24, 2025 and defendants' reply is due on February 14, 2025. A hearing on the motion to dismiss and the motion to stay was scheduled for March 4, 2025.

On March 20, 2024, Edward W. Burns IRA filed a stockholder derivative action complaint in the Court of Chancery of the State of Delaware, or the Burns Derivative Action, against us as nominal defendant and Dr. Seeto, Mr. Dhingra, Dr. Maag, and other current and former members of our Board of Directors. Prior to filing the complaint, we produced documents to the plaintiff in response to a books and records inspection demand made pursuant to Section 220 of the Delaware General Corporation Law. The plaintiff purports to incorporate those documents in the complaint. The plaintiff alleges that the individual defendants breached their fiduciary duties as directors and/or officers of our Company and engaged in insider trading, unjust enrichment, waste of corporate assets, and aiding and abetting breaches of fiduciary duty. The suit seeks declaratory relief, recovery of alleged damages sustained by us as a result of the alleged violations, equitable relief, restitution, and plaintiff's costs incurred in the lawsuit, including reasonable attorneys', accountants', and experts' fees, costs, and expenses.

On May 30, 2024 the parties to the Burns Derivative Action filed an amended stipulation and proposed order to continue the stay in that action, which was so-ordered by the court on May 31, 2024.

We intend to defend ourselves vigorously, and we believe that we have good and substantial defenses to the claims alleged in the suits, but there is no guarantee that we will prevail. We have not recorded any liabilities for this suit.

Litigation is inherently unpredictable. It is possible that an adverse result in one or more of these possible future events could have a material adverse effect on us, including increased expenses to defend, settle or resolve such litigation.

If we are unable to successfully compete with established players in the clinical surveillance of the transplantation field, we may be unable to increase or sustain our revenues or achieve profitability.

Our AlloSure Kidney solution for kidney transplant recipients competes against existing diagnostic tests utilized by pathologists, which involves evaluating biopsy samples to determine the presence or absence of rejection. However, because of the risks and discomforts of the invasive kidney biopsy procedure, as well as the expense and relatively low rate of finding moderate to severe grade rejection, biopsy is not a standard practice for surveillance of transplanted kidneys. Additional competition for kidney surveillance diagnostics currently comes from general, non-specific clinical chemistry tests such as serum creatinine, urine protein, donor specific antibodies, complete blood count, lipid profile and others that are widely ordered by physician offices and routinely performed in clinical reference labs and hospital labs. Our competitors also include companies that are focused on the development and commercialization of molecular diagnostic tests. In the field of post-transplant surveillance, Natera, Eurofins, and Oncocyte, have commercially available molecular diagnostics tests. Other entrants with kitted products have indicated they are entering the market for post-transplant surveillance, including Thermo Fisher, Devyser, Bio-Rad, EuroBio, and Oncocyte.

Competition for our AlloMap Heart solution for heart transplant recipients also comes from biopsies, which generally involve evaluating biopsy samples to determine the presence or absence of rejection. This practice has been the standard of care in the United States for many years, and we will need to continue to educate clinicians, transplant recipients and payers about the various benefits of our test in order to change clinical practice.

We expect the competition for pre-transplant typing and post-transplant surveillance to increase as there are numerous established and startup companies in the process of developing products and services for the transplant market which may directly or indirectly compete with our existing pre- and post-transplant solutions, or our development pipeline. Competition from other companies, especially those with an eye toward transitioning to more automated typing processes, could impact our ability to maintain market share and its current margins. For example, QTYPE competes with other quantitative polymerase chain reaction, or PCR, products including products offered by Thermo Fisher Scientific, Inc., as well as alternatives to PCR such as next generation sequencing, or NGS, typing products.

Competition for our patient and digital solutions include various companies that develop application software and operate in the healthcare field. Our competition for patient solutions includes hospital-affiliated pharmacies located on-site at the transplant center and specialty pharmacies that provide transplant-specific care and dispensing services. Our primary competitor for our patient management EMR solution is Phoenix, Epic's transplant application. In addition, other established and emerging healthcare, information technology and service companies may commercialize competitive products including informatics, analysis, integrated genetic tools and services for health and wellness.

The field of clinical surveillance of transplantation is evolving. New and well-established companies are devoting substantial resources to the application of molecular diagnostics to the treatment of medical conditions. Some of these companies may elect to develop and market diagnostic solutions in the post-transplant surveillance market.

Many of our potential competitors may have greater brand recognition or substantially greater financial and technical resources and development, production and marketing capabilities than we do. Others may develop lower-priced, less complex tests that could be viewed by clinicians and payers as functionally equivalent to our AlloSure Kidney, AlloSure Lung, AlloMap Heart and AlloSure Heart tests, which could force us to lower the current list price of our test and impact our operating margins and our ability to achieve profitability. If we are unable to compete successfully against current or future competitors, we may be unable to increase market acceptance for and sales of AlloSure Kidney, AlloSure Lung, AlloMap Heart, AlloSure Heart and our products and patient and digital solutions, which could prevent us from increasing or sustaining our revenues or achieving profitability and could cause the market price of our common stock to decline.

Our past revenue growth rates may not be indicative of future growth, and we may not grow at all, and revenue may decline.

From 2022 to 2023, our revenue declined from $321.8 million to $280.3 million, which represents a decrease of 13%. From the three months ended September 30, 2023 to the three months ended September 30, 2024, our revenue grew from $67.2 million to $82.9 million, which represents an increase of $15.7 million or 23%. In the future, our revenue may not grow at all and it may continue to decline. We believe that our future revenue will depend on, among other factors:

- the continued usage and acceptance of our current and future solutions;
- demand for our testing services, products and patient and digital solutions;
- the introduction and acceptance of new or enhanced products or services by us or by competitors;
- our ability to maintain reimbursement for AlloSure Kidney, AlloSure Lung, AlloMap Heart and AlloSure Heart and secure reimbursement for our future solutions;
- our decision to continue our Medicare reimbursement submissions for AlloSure Kidney;

- our decision to issue future financial guidance and the terms of such guidance;
- our ability to anticipate and effectively adapt to developing markets and to rapidly changing technologies;
- our ability to attract, retain and motivate qualified personnel;
- the initiation, renewal or expiration of significant contracts with our commercial partners;
- pricing changes by us, our suppliers or our competitors; and
- general economic conditions and other factors.

We may not be successful in our efforts to manage any of the foregoing, and any failure to be successful in these efforts could materially and adversely affect revenue growth. You should not consider our past revenue growth to be indicative of future growth.

If we seek to and are unable to raise additional capital on acceptable terms in the future, it may limit our ability to develop and commercialize new diagnostic solutions and technologies, and we may have to curtail or cease operations.

As of September 30, 2024, we had cash, cash equivalents and marketable securities of $240.9 million and an accumulated deficit of $704.3 million. We expect capital outlays and operating expenditures to increase over the next several years as we expand our infrastructure, commercial operations and research and development activities. Specifically, we may need to raise additional capital to, among other things:

- develop other solutions for clinical surveillance in transplantation;
- increase our selling and marketing efforts to drive market adoption and address competitive developments;
- expand our clinical laboratory operations;
- fund our clinical validation study activities;
- expand our research and development activities;
- sustain or achieve broader commercialization of AlloSure Kidney, AlloSure Lung, KidneyCare, AlloMap Heart, AlloSure Heart, HeartCare, our products and patient and digital solutions or enhancements to those tests, products and patient and digital solutions;
- acquire or license products or technologies including through acquisitions; and
- finance our capital expenditures and general and administrative expenses.

Our present and future funding requirements will depend on many factors, including:

- the level of research and development investment required to develop our new solutions;
- costs of filing, prosecuting, defending and enforcing patent claims and other intellectual property rights;
- our need or decision to acquire or license complementary technologies or acquire complementary businesses;
- changes in test development plans needed to address any difficulties in commercialization;
- competing technological and market developments;
- whether our diagnostic solutions become subject to additional FDA or other regulation; and
- changes in regulatory policies or laws that affect our operations.

Additional capital, if needed, may not be available on satisfactory terms, or at all, and might include the issuance of equity securities, debt, cash from collaboration agreements or a combination of these. Furthermore, if we raise additional funds by issuing equity securities, dilution to our existing stockholders could result. Any equity securities issued also may provide for rights, preferences or privileges senior to those of holders of our common stock and would result in dilution to our stockholders. If we raise additional funds by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of holders of our common stock, and the terms of the debt securities issued could impose significant restrictions on our operations. If we raise additional funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our technologies or our solutions under development, or grant licenses on terms that are not favorable to us, which could lower the economic value of those programs to us. If adequate funds are not available, we may have to scale back

our operations or limit our research and development activities, which may cause us to grow at a slower pace, or not at all, and our business could be adversely affected.

Risks Related to Our Intellectual Property

Our competitive position depends on maintaining intellectual property protection.

Our ability to compete and to achieve and maintain profitability depends on our ability to protect our proprietary discoveries and technologies. We currently rely on a combination of patents, copyrights, trademarks, trade secrets, confidentiality agreements and license agreements to protect our intellectual property rights.

As of September 30, 2024, we had 7 U.S. patents related to diagnosing transplant rejection and autoimmune disease, which will expire between October 2025 and May 2035. In addition, we had 3 U.S. patents related to organ function recovery and allograft preservation, which will expire between July 2038 and June 2041.

Our patents and the patents we exclusively license from others may be successfully challenged by third parties as being invalid or unenforceable. For example, in September 2021, the Court in the patent infringement case against Natera ruled that three of the patents we asserted against Natera are invalid. The Court's finding does not have any impact on our ability to continue providing AlloSure. This ruling may limit our ability to prevent Natera and other competitors and third parties from developing and marketing products similar to ours and we may not be able to prevent Natera and others from developing or selling products that are covered by our products or technologies without payment to us. In addition, our exclusive license agreement with Stanford that previously covered certain patents related to diagnostic and predictive technologies terminated in October 2023. Third parties may independently develop similar or competing technology that avoids the patents we own or exclusively license. We cannot be certain that the steps we have taken will prevent the misappropriation and use of our intellectual property, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States.

The extent to which the patent rights of life sciences companies effectively protect their products and technologies is often highly uncertain and involves complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the proper scope of allowable claims of patents held by such companies has emerged to date in the United States. Various courts, including the U.S. Supreme Court, have rendered decisions that impact the scope of patentability of certain inventions or discoveries relating to diagnostic solutions or genomic diagnostics. This evolving case law in the United States may adversely impact our ability to obtain new patents and may facilitate third-party challenges to our existing owned and exclusively licensed patents.

Changes in either the patent laws or interpretations of patent laws in the United States or other countries may diminish the value of our intellectual property rights. Patent applications in the United States and many foreign jurisdictions are not published until at least 18 months after filing, and it is possible for a patent application filed in the United States to be maintained in secrecy until a patent is issued on the application. In addition, publications in the scientific literature often lag behind actual discoveries.

We therefore cannot be certain that others have not filed patent applications that cover inventions that are the subject of pending applications that we own or exclusively license or that we or our licensors, first to file. Our competitors may have filed, and may in the future file, patent applications covering technology that is similar to or the same as our technology. Any such patent application may have priority over patent applications that we own or exclusively license and, if a patent issues on such patent application, we could be required to obtain a license to such patent in order to carry on our business. If another party has filed a United States patent application covering an invention that is similar to, or the same as, an invention that we own or license, we or our licensors may have to participate in an interference or other proceeding in the U.S. Patent and Trademark Office or a court to determine priority of invention in the United States for pre-AIA applications and patents.

We or our licensors may have to participate in a derivation proceeding to resolve disputes relating to inventorship. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful, resulting in our inability to obtain or retain any United States patent rights with respect to such invention.

Risks Related to Our Common Stock

Our operating results may fluctuate, which could cause our stock price to decrease.

Fluctuations in our operating results may lead to fluctuations, including declines, in the share price for our common stock. From January 2, 2024 to September 30, 2024, our closing stock price ranged from $7.56 to $33.99 per share. Our operating results and our share price may fluctuate from period to period due to a variety of factors, including:

- demand by clinicians and recipients for our current and future solutions, if any;
- coverage and reimbursement decisions by third-party payers and announcements of those decisions;

- clinical trial results and publication of results in peer-reviewed journals or the presentation at medical conferences;
- the inclusion or exclusion of our current and future solutions in large clinical trials conducted by others;
- new or less expensive tests and services or new technology introduced or offered by our competitors or us;
- the level of our development activity conducted for new solutions, and our success in commercializing these developments;
- our ability to efficiently integrate the business of new acquisitions;
- the level of our spending on test commercialization efforts, licensing and acquisition initiatives, clinical trials, and internal research and development;
- changes in the regulatory environment, including any announcement from the FDA regarding its decisions in regulating our activities;
- changes in recommendations of securities analysts or lack of analyst coverage;
- failure to meet analyst expectations regarding our operating results;
- additions or departures of key personnel;
- public health emergencies;
- share repurchases completed by us; and
- general market conditions.

Variations in the timing of our future revenues and expenses could also cause significant fluctuations in our operating results from period to period and may result in unanticipated earning shortfalls or losses. In addition, national stock exchanges, and in particular the market for life science companies, have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Moreover, we may be subject to additional securities class action litigation as a result of volatility in the price of our common stock, which could result in substantial costs and diversion of management's attention and resources and could harm our stock price, business, prospects, results of operations and financial condition.

If our principal stockholders, executive officers and directors choose to act together, they may be able to control our management and operations, which may prevent us from taking actions that may be favorable to you.

Our executive officers, directors and holders of 5% or more of our outstanding common stock (based on the most recent public filings), and entities affiliated with them, beneficially own in the aggregate approximately 60.5% of our common stock as of September 30, 2024. These stockholders, acting together, will have the ability to exert substantial influence over all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, they could dictate the management of our business and affairs. This concentration of ownership could have the effect of delaying, deferring or preventing a change in control of us or impeding a merger or consolidation, takeover or other business combination that could be favorable to you.

We have identified material weaknesses in our internal control over financial reporting as of December 31, 2022, which were not remediated at December 31, 2023. If we are unable to remediate these material weaknesses and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner.

Effective internal control over financial reporting is necessary for us to provide reasonable assurance regarding the preparation and fair presentation of published consolidated financial statements in accordance with accounting principles generally accepted in the United States. In connection with the preparation of our consolidated financial statements as of December 31, 2022 and for the year then ended, we identified material weaknesses in our internal control over financial reporting, which were not remediated at December 31, 2023. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Our management concluded that we had the following material weaknesses as of December 31, 2023:

- **General Information Technology Controls**. We did not design and maintain effective general information technology controls, or GITCs, for information systems and applications that are relevant to the preparation of the consolidated financial statements. Specifically, we did not design and maintain: (i) sufficient user access controls to ensure appropriate segregation of duties, logical access controls to prevent unauthorized user access and adequately restrict user and privileged access to financial applications, programs and data to appropriate Company personnel; (ii)

program change management controls to ensure that information technology, or IT, program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately with appropriate segregation of duties; and (iii) computer and network operations controls to ensure that batch and interface jobs are monitored and privileges are appropriately granted, authorized and monitored. As a result, business process controls (automated and manual) that are dependent on the ineffective GITCs, or that rely on data produced from systems impacted by the ineffective GITCs, are also deemed ineffective, which affects substantially all financial statement account balances and disclosures.

- **Purchase Order Approval Workflow**. We did not design and maintain effective process-level control activities related to procurement to ensure appropriate approval of purchase orders, which could affect the amount and classification of costs capitalized or expensed.
- **Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework**. We did not fully maintain components of the COSO framework, including elements of the control environment, information and communication, and control activities and monitoring activities components, relating to: (i) sufficiency of competent personnel to perform internal control activities and support the achievement of our internal control objectives; (ii) enforcing accountability of personnel for the performance of their internal control responsibilities across the organization in the pursuit of objectives; (iii) designing and maintaining general control activities over technology to support the achievement of our internal control objectives; (iv) performing control activities in accordance with established policies in a timely manner; and (v) performing sufficient reviews of information to assess its relevance, accuracy, and completeness in supporting the internal control components. As such, our management concluded that we did not have an adequate process in place to complete its assessment of the design and operating effectiveness of internal control over financial reporting in a timely manner.

These material weaknesses have not been remediated as of the date of this Quarterly Report on Form 10-Q. Our management has been engaged in developing and implementing remediation plans to address the material weaknesses described above. However, the material weaknesses will not be fully remediated until management can demonstrate the full effectiveness of controls over a sufficient period of time, and we can give no assurance on the success of such measures or the outcome of our assessment of these measures at this time.

If the steps we take to remediate the material weaknesses are ineffective, these material weaknesses could result in material misstatements to our annual or interim consolidated financial statements that might not be prevented or detected on a timely basis, or in delayed filings of our required periodic reports. This might lead to investors losing confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected, and we could become subject to litigation or investigations by The Nasdaq Stock Market LLC, the SEC or other regulatory authorities, which could require additional financial and management resources.

Furthermore, if we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate our existing material weaknesses or avoid potential future material weaknesses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

We satisfy certain U.S. federal and state tax withholding obligations due upon the vesting of restricted stock unit awards by automatically withholding from the shares being issued in connection with such awards a number of shares of our common stock with an aggregate fair market value on the date of vesting equal to the minimum tax withholding obligations. The following table sets forth information with respect to shares of our common stock repurchased by us or withheld to satisfy

certain tax withholding obligations during the three months ended September 30, 2024:

	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Program (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)	
July 1, 2024 - July 31, 2024	8,080	(1)	$ 15.90	—	$ 21.4	(2)
August 1, 2024 - August 31, 2024	82,000	(1)	24.76	—	21.4	(2)
September 1, 2024 - September 30, 2024	12,695	(1)	27.55	—	21.4	(2)
Total	102,775			—		

(1) Represents shares of our common stock withheld from employees for the payment of taxes.

(2) On December 3, 2022, our Board of Directors approved our stock repurchase program, authorizing us to purchase up to $50 million in shares of our common stock over a period of up to two years, commencing on December 8, 2022. The Repurchase Program may be carried out at the discretion of a committee of our Board of Directors through open market purchases, one or more Rule 10b5-1 trading plans and block trades and in privately negotiated transactions.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the fiscal quarter ended September 30, 2024, except as set forth below, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(c) of Regulation S-K.

On August 19, 2024, Jeffrey A. Novack, our General Counsel, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Novack's plan is for the sale of up to 32,821 shares of common stock in amounts and prices determined in accordance with a formula set forth in the plan and terminates on the earlier of the date that all the shares under the plan are sold and November 7, 2025, subject to early termination for certain specified events set forth in the plan.

On August 21, 2024, Peter Maag, a member of our Board of Directors, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Maag's plan is for the sale of up to 58,281 shares of common stock in amounts and prices determined in accordance with a formula set forth in the plan and terminates on the earlier of the date that all the shares under the plan are sold and November 14, 2025, subject to early termination for certain specified events set forth in the plan.

On August 28, 2024, Alexander Johnson, our then-President of Patient and Testing Services, who has since left the Company, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Johnson's plan is for the sale of up to 164,081 shares of common stock in amounts and prices determined in accordance with a formula set forth in the plan and terminates on the earlier of the date that all the shares under the plan are sold and November 21, 2025, subject to early termination for certain specified events set forth in the plan.

On September 12, 2024, Abhishek Jain, our Chief Financial Officer, adopted a trading plan intended to satisfy the conditions under Rule 10b5-1(c) of the Exchange Act. Mr. Jain's plan is for the sale of up to 128,499 shares of common stock in amounts and prices determined in accordance with a formula set forth in the plan and terminates on the earlier of the date that all the shares under the plan are sold and September 30, 2025, subject to early termination for certain specified events set forth in the plan.

ITEM 6. EXHIBITS

Exhibit Number	
3.1(1)	Amended and Restated Certificate of Incorporation.
3.2(2)	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of CareDx, Inc., filed June 17, 2021.
3.3(3)	Certificate of Amendment to the Amended and Restated Certificate of Incorporation, dated June 16, 2023.
3.4(4)	Amended and Restated Bylaws, effective as of March 24, 2023
4.1(5)	Form of Registrant's common stock certificate.
4.2(6)#	2014 Equity Incentive Plan, as amended.
4.3(7)#	Form of Option Agreement under the 2014 Equity Incentive Plan for New Options.
4.4(8)#	2014 Employee Stock Purchase Plan and forms of agreements thereunder.
4.5(9)#	2016 Inducement Equity Incentive Plan.
4.6(10)#	CareDx, Inc. 2019 Inducement Equity Incentive Plan.
4.7(11)#	CareDx, Inc. 2024 Equity Incentive Plan
10.1(12)#	Offer Letter, dated July 27, 2024, between CareDx, Inc. and Keith Kennedy.
10.2(13)#	Change of Control and Severance Agreement, dated July 27, 2024, between CareDx, Inc. and Keith Kennedy.
10.3(14)#	Confidential Information, Invention Assignment, Non-Competition, and Arbitration Agreement, dated July 27, 2024, between CareDx, Inc. and Keith Kennedy.
10.4(15)#	Inducement Restricted Stock Unit Agreement, effective as of September 12, 2024, by and between CareDx, Inc. and Keith Kennedy.
10.5(16)#	Inducement Stock Option Agreement, effective as of September 12, 2024, by and between CareDx, Inc. and Keith Kennedy.
10.6*#	Offer Letter, dated August 30, 2024, between CareDx, Inc. and Jessica Meng.
10.7*#	Change of Control and Severance Agreement, dated August 30, 2024, between CareDx, Inc. and Jessica Meng.
10.8*#	Confidential Information, Invention Assignment, Non-Competition, and Arbitration Agreement, dated August 30, 2024, by and between CareDx, Inc. and Jessica Meng.
10.9(17)#	Inducement Restricted Stock Unit Agreement, effective as of September 12, 2024, by and between CareDx, Inc. and Jessica Meng.
10.10(18)#	Inducement Stock Option Agreement, effective as of September 12, 2024, by and between CareDx, Inc. and Jessica Meng.
10.11*#	Separation Agreement Release of Claims, dated September 30, 2024, between CareDx, Inc. and Alexander Johnson.
10.12*#	Consulting Agreement, dated September 30, 2024, by and between CareDx, Inc. and Alexander Johnson.
31.1*	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
(1)	Incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q filed with the Securities and Exchange Commission (the "SEC") on August 28, 2014.
(2)	Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the SEC on June 21, 2021.
(3)	Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the SEC on June 20, 2023.
(4)	Incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the SEC on March 28, 2023.
(5)	Incorporated by reference to Exhibit 4.1 to the Registrant's Form 10-K filed with the SEC on March 31, 2015.
(6)	Incorporated by reference to Exhibit 4.2 to the Registrant's Form 10-Q filed with the SEC on July 29, 2021.
(7)	Incorporated by reference to Exhibit 99(d)(3) to the Registrant's Form SC TO-I filed with the SEC on October 12, 2017.
(8)	Incorporated by reference to Exhibit 4.5 to the Registrant's Form S-8 filed with the SEC on July 18, 2014.
(9)	Incorporated by reference to Exhibit 4.5 to the Registrant's Form 10-Q filed with the SEC on July 29, 2021.
(10)	Incorporated by reference to Exhibit 4.7 to the Registrant's Form 10-Q filed with the SEC on July 29, 2021.
(11)	Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the SEC on June 18, 2024.
(12)	Incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the SEC on September 12, 2024.
(13)	Incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed with the SEC on September 12, 2024.
(14)	Incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed with the SEC on September 12, 2024.
(15)	Incorporated by reference to Exhibit 99.1 to the Registrant's Form S-8 filed with the SEC on September 13, 2024.
(16)	Incorporated by reference to Exhibit 99.3 to the Registrant's Form S-8 filed with the SEC on September 13, 2024.
(17)	Incorporated by reference to Exhibit 99.2 to the Registrant's Form S-8 filed with the SEC on September 13, 2024.
(18)	Incorporated by reference to Exhibit 99.4 to the Registrant's Form S-8 filed with the SEC on September 13, 2024.
#	Indicates management contract or compensatory plan or arrangement.
*	Filed herewith.
**	Furnished herewith.

SIGNATURES

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

CAREDX, INC.
(Registrant)

Date: November 4, 2024

By: /s/ JOHN W. HANNA
John W. Hanna
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ ABHISHEK JAIN
Abhishek Jain
Chief Financial Officer
(Principal Accounting and Financial Officer)

August 30, 2024

Dear Jessica,

I am pleased to offer you a position with CareDx, Inc. (the "Company") as a Chief Commercial Officer reporting to John Hanna, President and CEO. Start date will be September 12, 2024 or another mutually agreed upon date. This position is a full-time, exempt position, based at 8000 Marina Boulevard, Brisbane, California.

Salary

Effective upon commencement of your full-time employment at the Company you will receive an annualized salary of $475,000 paid on a biweekly basis on our regular paydays. Deductions required by law or authorized by you will be taken from each paycheck.

Annual Bonus

Additionally, you will be eligible to participate in our Corporate Annual performance bonus plan with an annual target of 60% of your base salary and your bonus for 2024 will be prorated based on the number of days you worked for the Company in 2024. You must be employed at the time of payout, except as otherwise provided in the Change of Control Agreement between you and the company dated August 30, 2024 (the Change of Control and Severance Agreement), and the amount is subject to all state and federal taxes.

Employee Benefits

As a Company employee, you are also eligible to receive certain employee benefits pursuant to the terms of Company benefit plans as described in the CareDx Benefits Brochure.

You should note that the Company may modify, in its sole discretion, job titles, salaries, holidays, vacation and any other benefits from time to time as it deems necessary.

Equity Award

As a material inducement to your executing this letter and your commencement of employment with the Company, you will be granted the following equity awards effective upon your start date:

$1.5 million in stock options, whereby the number of stock options subject to the award will be calculated using the Black-Sholes option pricing model on the date preceding the public announcement of your hire, and the exercise price of the stock options shall be the closing price of the Company's common stock, as reported on The Nasdaq Stock Market LLC ("Nasdaq"), on the date of grant. This option shall vest subject to your continued employment with the company, except as otherwise provided in the Change of Control and Severance Agreement, as to one-fourth (1/4) of the shares on the one-year anniversary of your start date, and as to an additional one forty-eight ($1/48^{th}$) of the total number of shares subject other option at the end of each calendar month thereafter. Details of the price of these options will be provided in you stock option grant and determined by the compensation & Human Capital Committee of the Board; and

$1.5 million in restricted stock units based on the closing price of the Company's common stock, as reported on the Nasdaq, on the date preceding the public announcement of your hire. 25% of the Restricted Stock Units will vest on the one-year anniversary of your start date and 25% of the Restricted Stock Units will vest each year thereafter on the same date as your start date, subject to your continued employment with the company on each such vesting date, except as otherwise provided in the Change of Control and Severance Agreement.

The equity awards described above shall be awarded outside of the Company's equity incentive plans as "inducement grants" within the meaning of Nasdaq Listing Rule 5635(c)(4) and shall be subject to you entering into customary equity award agreements associated documentation with respect to such awards.

At Will Employment

You should be aware that your employment with the Company is for no specified period and constitutes at will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause. In the event of certain terminations, you will be eligible to receive benefits pursuant to the Change of Control and Severance Agreement.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated. Your employment also is subject to successful verification of your professional references, and to our standard pre-employment process, which includes completion of an employment application and successful completion of a standard background check, including not being on the Medicare disbarment list.

Employment Agreements

As a condition to your employment with the Company, you will be required to sign the Company's standard At-Will Employment, Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement, a copy of which will be provided to you.

We also ask that, if you have not already done so, you disclose to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. Similarly, you agree not to bring any third-party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not in any way utilize any such information.

In the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree that all such disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association in San Mateo County, California.

Entire Agreement

This letter, along with the CareDx At-Will Employment, Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement and the Change of Control and Severance Agreement sets forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This letter may not be modified or amended except by a written agreement, signed by the Company and by you. To accept this offer sign and date within ADP. Please direct any questions regarding the offer letter to me, Stacey Follon, SVP Head of Human Resources at sfollon@caredx.com.

I am look forward to working with you at CareDx, Inc.

Sincerely,

/s/ John W. Hanna

John W. Hanna

President and Chief Executive Officer

ACCEPTED AND AGREED TO BY:

/s/ Jessica Meng

Jessica Meng

On this day August 31, 2024

CAREDX, INC.

CHANGE OF CONTROL AND SEVERANCE AGREEMENT

This Change of Control and Severance Agreement (the "***Agreement***") is made and entered into by and between Jessica Meng ("***Executive***") and CareDx, Inc., a Delaware corporation (the "***Company***"), effective as of August 30, 2024 (the "***Effective Date***").

RECITALS

1. The Board of Directors of the Company (the "***Board***") believes that it is in the best interests of the Company and its stockholders (i) to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of a Change of Control and (ii) to provide Executive with an incentive to continue Executive's employment prior to a Change of Control and to motivate Executive to maximize the value of the Company upon a Change of Control for the benefit of its stockholders.
2. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment under certain circumstances. These benefits will provide Executive with enhanced financial security, incentive and encouragement to remain with the Company notwithstanding the possibility of a Change of Control.
3. Certain capitalized terms used in the Agreement are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement will remain in effect for so long as Executive remains employed by the Company. Notwithstanding the foregoing provisions of this paragraph, if Executive becomes entitled to benefits under Section 3 during the term of this Agreement, the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied including with respect to benefits arising out of a Change of Control which occurs after the termination of Executive's employment.
2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. As an at-will employee, either the Company or the Executive may terminate the employment relationship at any time, with or without Cause and with or without Good Reason.
3. Severance Benefits.
    a. Termination without Cause or Resignation for Good Reason Unrelated to a Change of Control. If the Company terminates Executive's employment with the Company without Cause (excluding death or Disability) or Executive Resigns for Good Reason, and such termination occurs outside of the Change of Control Period, then subject to Section 4, Executive will receive the following:

i. Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, any unpaid bonus from a prior year (to the extent actually earned but ignoring any continued employment requirement), and all other benefits due to Executive under any Company-provided plans, policies and arrangements. For the avoidance of doubt, the unpaid prior year bonus, if any, shall be paid on the same date such bonuses are paid to other officers of the Company.

ii. Continuing Severance Payments. Executive will be paid continuing payments of severance pay at a rate equal to Executive's base salary rate, as then in effect (or, if such termination is due to Executive's resignation for Good Reason due to a decrease in Executive's base salary, the base in effect prior to such reduction), for twelve (12) months from the date of such termination of employment, to be paid periodically in accordance with the Company's normal payroll policies.

iii. Continuation Coverage. If Executive elects continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) until the earlier of (A) a period of twelve (12) months from the date of termination or (B) the date upon which Executive and/or Executive's eligible dependents become covered under similar plans. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the first sentence of this Section 3(a)(iii), if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating, or being subject to, an excise tax under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment, payable on the last day of a given month, in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (x) the date upon which Executive obtains other employment or (y) the date the Company has paid an amount equal twelve (12) payments. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to, continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

iv. If such termination occurs prior to the one year anniversary of Executive's start date, notwithstanding anything to the contrary in the award agreements and plans governing Executive's equity awards awarded in connection with Executive starting at the Company, such awards will vest pro rata based on the number of days that have elapsed since Executive's start date (but for the avoidance of doubt, only with respect to the initial 25% cliff vesting tranches otherwise scheduled to vest on the one year anniversary of Executive's start date).

b. Termination without Cause or Resignation for Good Reason in Connection with a Change of Control. If the Company terminates Executive's employment with the Company without Cause (excluding death or Disability) or if Executive resigns from such employment for Good Reason, and, in each case, such termination occurs during the Change of Control Period, then subject to Section 4, Executive will receive the following:

i. Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, any unpaid bonus from a prior year (to the extent actually earned but ignoring any continued employment requirement), and all other benefits due to Executive under any Company-provided plans, policies and arrangements. For the avoidance of doubt, the unpaid prior year bonus, if any, shall be paid on the same date such bonuses are paid to other officers of the Company.

ii. Severance Payment. Executive will receive a lump-sum payment (less applicable withholding taxes) equal to twelve (12) months of Executive's annual base salary as in effect immediately prior to Executive's termination date or, if greater, at the level in effect immediately prior to the Change of Control (or, if such termination is due to Executive's resignation for Good Reason due to a decrease in Executive's base salary, the base in effect prior to such reduction). For the avoidance of doubt, if (x) Executive incurred a termination prior to a Change of Control that qualifies Executive for severance payments under Section 3(a)(ii); and (y) a Change of Control occurs within the three (3) month period following Executive's termination of employment that qualifies Executive for the superior benefits under this Section 3(b)(ii), then Executive shall be entitled to a lump-sum payment of the amount calculated under this Section 3(b)(ii), *less* amounts already paid under Section 3(a)(ii) and such amount lump-sum amount shall be payable upon the later of: (A) the Change of Control, (B) the date the Release (as defined below) is effective and irrevocable or (C) such later date required by Section 4(c).

iii. Bonus Payment. Executive will receive a lump-sum payment equal to one hundred percent (100%) of the greater of (A) Executive's target bonus as in effect for the fiscal year in which the Change of Control occurs or (B) Executive's target bonus as in effect for the fiscal year in which Executive's termination of employment occurs. For avoidance of doubt,

the amount paid to Executive pursuant to this Section 3(b)(iii) will not be prorated based on the actual amount of time Executive is employed by the Company during the fiscal year (or the relevant performance period if something different than a fiscal year) during which the termination occurs.

iv. Continuation Coverage. If Executive elects continuation coverage pursuant to COBRA within the time period prescribed pursuant to COBRA for Executive and Executive's eligible dependents, then the Company will reimburse Executive for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Executive's termination) until the earlier of (A) a period of twelve (12) months from the date of termination or (B) the date upon which Executive and/or Executive's eligible dependents become covered under similar plans. The reimbursements will be made by the Company to Executive consistent with the Company's normal expense reimbursement policy. Notwithstanding the first sentence of this Section 3(b)(iv), if the Company determines in its sole discretion that it cannot provide the foregoing benefit without potentially violating, or being subject to, an excise tax under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment, payable on the last day of a given month, in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (x) the date upon which Executive obtains other employment or (y) the date the Company has paid an amount equal to twelve (12) months of payments. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to, continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

v. Accelerated Vesting of Equity Awards. One hundred percent (100%) of Executive's then-outstanding and unvested Equity Awards will become vested in full. If, however, an outstanding Equity Award is to vest and/or the amount of the award to vest is to be determined based on the achievement of performance criteria, then the Equity Award will vest as to one hundred percent (100%) of the amount of the Equity Award assuming the performance criteria had been achieved at target levels for the relevant performance period(s).

c. Voluntary Resignation; Termination for Cause. If Executive's employment with the Company terminates (i) voluntarily by Executive (other than for Good Reason) or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

d. Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability, or Executive's employment terminates due to Executive's death, then Executive will not be entitled to receive any other severance or other benefits, except for any unpaid bonus from a prior year (to the extent actually earned but ignoring any continued employment requirement), and those (if any) as may then be established under the Company's then existing written severance and benefits plans and practices or pursuant to other written agreements with the Company. For the avoidance of doubt, the unpaid prior year bonus, if any, shall be paid on the same date such bonuses are paid to other officers of the Company.

e. Exclusive Remedy. In the event of a termination of Executive's employment as set forth in Section 3(a) or (b) of this Agreement, the provisions of Section 3 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company otherwise may be entitled, whether at law, tort or contract, in equity or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 3 of this Agreement.

4. Conditions to Receipt of Severance

a. Release of Claims Agreement. The receipt of any severance payments or benefits (other than the accrued benefits set forth in either Sections 3(a)(i) or 3(b)(i)) pursuant to this Agreement is subject to Executive signing and not revoking a separation agreement and release of claims, which shall not contain any mitigation, offset, or restrictive covenants which are longer or more onerous on Executive than those to which Executive is already subject, in substantially the form attached hereto as Exhibit A (the "***Release***"), which must become effective and irrevocable no later than the sixtieth (60th) day following Executive's termination of employment (the "***Release Deadline***"). If the Release does not become effective and irrevocable by the Release Deadline, Executive will forfeit any right to severance payments or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the Release actually becomes effective and irrevocable.

b. Confidential Information and Invention Assignment Agreements. Executive's receipt of any payments or benefits under Section 3 (other than the accrued benefits set forth in either Sections 3(a)(i) or 3(b)(i)) will be subject to Executive continuing to comply with the terms of the At-Will Employment, Confidential

Information, Invention Assignment and Arbitration Agreement dated August ___, 2024, between the Company and Executive, as such agreement may be amended from time to time.

c. Section 409A.

i. Notwithstanding anything to the contrary in this Agreement, no severance pay or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Code, and the final regulations and any guidance promulgated thereunder ("***Section 409A***") (together, the "***Deferred Payments***") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Executive, if any, pursuant to this Agreement that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Executive has a "separation from service" within the meaning of Section 409A.

ii. It is intended that none of the severance payments under this Agreement will constitute Deferred Payments but rather will be exempt from Section 409A as a payment that would fall within the "short-term deferral period" as described in Section 4(c)(iv) below or resulting from an involuntary separation from service as described in Section 4(c)(v) below. However, any severance payments or benefits under this Agreement that would be considered Deferred Payments will be paid on, or, in the case of installments, will not commence until the sixtieth (60th) day following Executive's separation from service or, if later, such time as required by Section 4(c)(iii). Except as required by Section 4(c)(iii), any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's separation from service but for the preceding sentence will be paid to Executive on the sixtieth (60th) day following Executive's separation from service and the remaining payments will be made as provided in this Agreement.

iii. Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following Executive's separation from service will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service, but before the six (6) month anniversary of the

separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

iv. Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of clause (i) above.

v. Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constitute Deferred Payments for purposes of clause (i) above.

vi. Payments with respect to reimbursements of expenses or benefits or provision of fringe or other in-kind benefits shall be made on or before the last day of the calendar year following the calendar year in which the relevant expense or benefit is incurred. The amount of expenses or benefits eligible for reimbursement, payment or provision during a calendar year shall not affect the expenses or benefits eligible for reimbursement, payment or provision in any other calendar year.

vii. The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions that are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to Executive under Section 409A.

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's benefits under Section 3 will be either:

   a. delivered in full, or

   b. delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) reduction of cash payments; (ii) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (iii) cancellation of accelerated vesting of equity awards; and (iv) reduction of employee benefits. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of Executive's equity awards.

Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company's independent public accountants immediately prior to a Change of Control or such other person or entity to which the parties mutually agree (the "***Firm***"), whose determination will be conclusive and binding upon Executive and the Company. For purposes of making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 5.

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

   a. Cause. "***Cause***" will mean:

      i. Executive's material failure to perform Executive's stated duties, and Executive's continued failure to cure such failure to the reasonable satisfaction of the Company within ten (10) days following written notice of such failure to Executive from the Board;

      ii. Executive's material violation of a written Company policy (including any insider trading policy) or any written agreement or covenant with the Company;

      iii. Executive's conviction of, or entry of a plea of guilty or *nolo contendere* to, a felony (other than motor vehicle offenses the effect of which do not materially impair Executive's performance of her employment duties);

      iv. a willful act by Executive that constitutes gross misconduct and which is injurious to the Company;

      v. Executive's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company;

vi. the unauthorized use or disclosure by Executive of any proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of Executive's relationship with the Company; or

vii. Executive's willful failure to cooperate with an investigation by a governmental authority.

Notwithstanding the foregoing, (A) with respect to any termination for Cause relying on cause (i) or (ii) of the definition above, no Cause shall exist unless the Company has provided written notice to Executive describing in detail such Cause conduct and, to the extent an act or omission giving rise to Cause is reasonably susceptible to cure (as determined by the Company's board of directors in its reasonable, discretion), Executive shall have been given a reasonable opportunity, not to exceed thirty (30) days or other specified period above, after written notice by the Company, to cure such act or omission.. The foregoing definition does not in any way limit the Company's ability to terminate Executive's employment relationship at any time as provided in Section 2 above, and the term "Company" will be interpreted to include any subsidiary, parent, affiliate or successor thereto, if applicable.

b. Change of Control. "***Change of Control***" means the occurrence of any of the following events:

i. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("***Person***"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company, will not be considered a Change of Control; or

ii. A change in the effective control of the Company that occurs on the date that a majority of members of the Board are replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

iii. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however,

that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A (and specifically Treasury Regulation 1.409A-3(a)(5)), as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change of Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

c. Change of Control Period. "***Change of Control Period***" will mean the period beginning three (3) months prior to, and ending twelve (12) months following, a Change of Control.

d. Code. "***Code***" will mean the Internal Revenue Code of 1986, as amended.

e. Disability. "***Disability***" will mean that Executive has been unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. Alternatively, Executive will be deemed disabled if determined to be totally disabled by the Social Security Administration. Termination resulting from Disability may only be effected after at least thirty (30) days' written notice by the Company of its

intention to terminate Executive's employment. In the event that Executive resumes the performance of substantially all of Executive's duties hereunder before the termination of Executive's employment becomes effective, the notice of intent to terminate based on Disability will automatically be deemed to have been revoked.

f. Equity Awards. "***Equity Awards***" will mean Executive's outstanding stock options, stock appreciation rights, restricted stock units, performance shares, performance stock units and any other Company equity compensation awards.

g. Good Reason. "***Good Reason***" will mean Executive's voluntary termination, within thirty (30) days following the expiration of any Company cure period (discussed below) following the occurrence of one or more of the following, without Executive's consent:

i. a material reduction of Executive's title, duties, authority or responsibilities, relative to Employee's title, duties, authority or responsibilities as in effect immediately prior to such reduction; provided, however, that continued employment following the Change of Control with substantially the same responsibility with respect to the Company's business and operations will not constitute "Good Reason" (for example, Executive will not have been removed from Executive's position if Executive is employed by the Company and Executive has substantially the same responsibilities with respect to the business of the Company as Executive had immediately prior to the Change of Control, whether Executive's title is revised to reflect Executive's placement within the overall corporate hierarchy and whether Executive provides services to a subsidiary, affiliate, business unit or otherwise);

ii. a material reduction by the Company of Executive's annual base salary as in effect on the Effective Date (or, if lower, as in effect immediately prior to the reduction), except to the extent the base salaries of all other senior executives of the Company are similarly reduced;

iii. the failure of the Company to obtain assumption of this Agreement by any successor;

iv. a material change in the geographic location of Executive's principal workplace; provided, that a relocation of less than thirty (30) miles from Brisbane, California will not be considered a material change in geographic location; or

v. any other action or inaction by the Company which constitutes a material breach of this Agreement or any other written agreement between the Company and Executive.

Executive may not resign for Good Reason without first providing the Company with written notice within ninety (90) days of the existence of the condition that Executive believes constitutes Good Reason specifically identifying the acts or omissions constituting the grounds

for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice.

For purposes of the "Good Reason" definition, the term "Company" will be interpreted to include any subsidiary, parent, affiliate or successor thereto, if applicable.

h. Section 409A Limit. "***Section 409A Limit***" will mean two (2) times the lesser of: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Executive's taxable year preceding the Executive's taxable year of Executive's termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

7. Successors.

a. The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 7(a) or which becomes bound by the terms of this Agreement by operation of law.

b. Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

a. General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when sent electronically or personally delivered when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid or when delivered by a private courier service such as UPS, DHL or Federal Express that has tracking capability. In the case of Executive, notices will be sent to the e-mail address or addressed to Executive at the home address, in either case which Executive most recently communicated to the Company in writing. In the case of the Company, electronic notices will be sent to the e-mail address of the General Counsel and mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its General Counsel.

b. Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than ninety (90) days after the giving of such notice).

9. Resignation. Upon the termination of Executive's employment for any reason, Executive will be deemed to have resigned from all officer and/or director positions held at the Company and its affiliates voluntarily, without any further required action by Executive, as of the end of Executive's employment and Executive, at the Board's request, will execute any documents reasonably necessary to reflect Executive's resignation.

10. Arbitration.

a. Arbitration. In consideration of Executive's employment with the Company, its promise to arbitrate all employment-related disputes, and Executive's receipt of the compensation, pay raises and other benefits paid to Executive by the Company, at present and in the future, Executive agrees that any and all controversies, claims or disputes with anyone (including the Company and any employee, officer, director, stockholder or benefit plan of the Company in their capacity as such or otherwise) arising out of, relating to or resulting from Executive's employment with the Company or termination thereof, including any breach of this Agreement, will be subject to binding arbitration under the Arbitration Rules set forth in California Code of Civil Procedure Section 1280 through 1294.2, including Section 1281.8 (the "***Act***"), and pursuant to California law. The Federal Arbitration Act will also apply with full force and effect, notwithstanding the application of procedural rules set forth under the Act.

b. Dispute Resolution. **Disputes that Executive agrees to arbitrate, and thereby agrees to waive any right to a trial by jury, include any statutory claims under local, state or federal law**, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes Oxley Act, the Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the California Family Rights Act, the California Labor Code, claims of harassment, discrimination, and wrongful termination and any statutory or common law claims. Executive further understands that this Agreement to arbitrate also applies to any disputes that the Company may have with Executive.

c. Procedure. Executive agrees that any arbitration will be administered by the Judicial Arbitration & Mediation Services, Inc. ("***JAMS***"), pursuant to its Employment Arbitration Rules & Procedures (the "***JAMS Rules***"). The arbitrator will have the power to decide any motions brought by any party to the arbitration,

including motions for summary judgment and/or adjudication, motions to dismiss and demurrers and motions for class certification, prior to any arbitration hearing. The arbitrator will have the power to award any remedies available under applicable law, and the arbitrator will award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any administrative or hearing fees charged by the administrator or JAMS, and all arbitrator's fees, except that Executive will pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law. Executive agrees that the arbitrator will administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure and the California Evidence Code, and that the arbitrator will apply substantive and procedural California law to any dispute or claim, without reference to the rules of conflict of law. To the extent that the JAMS Rules conflict with California law, California law will take precedence. The decision of the arbitrator will be in writing. Any arbitration under this Agreement will be conducted in Santa Clara County, California.

d. Remedy. Except as provided by the Act, arbitration will be the sole, exclusive and final remedy for any dispute between Executive and the Company. **Accordingly, except as provided by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration**. Notwithstanding, the arbitrator will not have the authority to disregard or refuse to enforce any lawful Company policy, and the arbitrator will not order or require the Company to adopt a policy not otherwise required by law which the Company has not adopted.

e. Administrative Relief. Executive is not prohibited from pursuing an administrative claim with a local, state or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board or the Workers' Compensation Board. However, Executive may not pursue court action regarding any such claim, except as permitted by law.

f. Voluntary Nature of Agreement. Executive acknowledges and agrees that Executive is executing this Agreement voluntarily and without any duress or undue influence by the Company or anyone else. Executive further acknowledges and agrees that Executive has carefully read this Agreement and that Executive has asked any questions needed for Executive to understand the terms, consequences and binding effect of this Agreement and fully understands it, including that ***EXECUTIVE IS WAIVING EXECUTIVE'S RIGHT TO A JURY TRIAL***. Finally, Executive agrees that Executive has been provided an opportunity to seek the advice of an attorney of Executive's choice before signing this Agreement.

11. Miscellaneous Provisions.

a. No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any such payment be reduced by any earnings that Executive may receive from any other source.

b. Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

c. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

d. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof, including, but not limited to, any rights to extended post-termination exercise period, severance and/or change of control benefits set forth in Executive's offer letter or agreements evidencing Executive's Equity Awards, if applicable. No waiver, alteration or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement.

e. Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California (with the exception of its conflict of laws provisions). Any claims or legal actions by one party against the other arising out of the relationship between the parties contemplated herein (whether or not arising under this Agreement) will be commenced or maintained in any state or federal court located in the jurisdiction where Executive resides, and Executive and the Company hereby submit to the jurisdiction and venue of any such court.

f. Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

g. Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

h. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY CAREDX, INC.

By: /s/ John Hanna

Name: John Hanna

Title: President and Chief Executive Officer

Date: August 30, 2024

EXECUTIVE By: /s/ Jessica Meng

Name: Jessica Meng

Date: August 30, 2024

EXHIBIT A

FORM OF RELEASE OF CLAIMS

This release of claims (this "***Agreement***") is made by and between CareDx, Inc. (the "***Company***") and Jessica Meng ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***" and individually referred to as a "***Party***."

RECITALS

WHEREAS, Executive signed an At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement with the Company on _____, 2024 (as may be amended or restated, the "***Confidentiality Agreement***");

WHEREAS, Executive signed a Change of Control and Severance Agreement with the company on _____, 2024 (as may be amended or restated, the "***Change of Control Agreement***"), which, among other things, provides for certain severance benefits to be paid to Executive by the Company upon the termination of Executive's employment following a Change of Control (as defined in the Change of Control Agreement) of the Company;

WHEREAS, Executive was employed by the Company until _____, when Executive's employment was terminated following a Change of Control ("***Termination Date***");

WHEREAS, in accordance with Section 4 of the Change of Control and Severance Agreement between the Company and Executive, Executive has agreed to enter into and not revoke a standard release of claims in favor of the Company as a condition to receiving the severance benefits described in the Change of Control Agreement; and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that Executive may have against the Company and any of the Releasees (as defined below), including, but not limited to, any and all claims arising out of or in any way related to Executive's employment relationship with the Company and the termination of that relationship.

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and covenants made herein, the Company and Executive hereby agree as follows:

COVENANTS

12. Termination. Executive's employment with the Company terminated on the Termination Date.

13. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration to be paid in accordance with the terms and conditions of the Change of Control Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, draws, stock, stock options or other equity awards (including restricted stock unit awards), vesting and any and all other benefits and compensation due to Executive and that no other reimbursements or compensation are owed to Executive.

14. Release of Claims. Executive agrees that the consideration to be paid in accordance with the terms and conditions of the Severance Agreement represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, stockholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "***Releasees***"). Executive, on Executive's own behalf and on behalf of Executive's respective heirs, family members, executors, agents and assigns hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute or pursue any claim, complaint, charge, duty, obligation, demand or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation, the following:

    a. any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

    b. any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law and securities fraud under any state or federal law;

    c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion and disability benefits;

    d. any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act and the California Fair Employment and Housing Act;

    e. any and all claims for violation of the federal, or any state, constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this Section 3 (the "***Release***") will be and remain in effect in all respects as a complete general release as to the matters released. The Release does not extend to any severance obligations due Executive under the Severance Agreement. The Release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Executive the right to recover any monetary damages against the Company; Executive's release of claims herein bars Executive from recovering such monetary relief from the Company). Executive represents that Executive has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action or other matter waived or released by this Section 3. Nothing in this Agreement waives Executive's rights to indemnification or any payments under any fiduciary insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance.

15. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***") and that this waiver and release is knowing and voluntary. Executive agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing that (a) Executive should consult with an attorney ***prior*** to executing this Agreement; (b) Executive has at least 21 days within which to consider this Agreement; (c) Executive has 7 days following the execution of this Agreement by the parties to revoke the Agreement; (d) this Agreement will not be effective until the revocation period has expired and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and delivers it to the Company in less than the 21-day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Executive acknowledges and understands that revocation must be accomplished by a written notification to the General Counsel of the Company that is received prior to the Effective Date.

16. California Civil Code Section 1542. Executive acknowledges that Executive has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

Executive, being aware of California Civil Code Section 1542, agrees to expressly waive any rights Executive may have thereunder, as well as under any other statute or common law principles of similar effect.

17. No Pending or Future Lawsuits. Executive represents that Executive has no lawsuits, claims or actions pending in Executive's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Executive also represents that Executive does not intend to bring any claims on Executive's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

18. Sufficiency of Consideration. Executive hereby acknowledges and agrees that Executive has received good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Release.

19. Confidential Information. Executive reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, which agreement will continue in force; *provided, however*, that: (a) as to any provisions regarding competition contained in the Confidentiality Agreement that conflict with the provisions regarding competition contained in the Severance Agreement, the provisions of the Severance Agreement will control; (b) as to any provisions regarding solicitation of employees contained in the Confidentiality Agreement that conflict with the provisions regarding solicitation of employees contained in this Agreement, the provisions of this Agreement will control.

20. Return of Company Property; Passwords and Password-protected Documents. Executive confirms that Executive has returned to the Company in good working order all keys, files, records (and copies thereof), equipment (including, but not limited to, computer hardware, software and printers, wireless handheld devices, cellular phones and pagers), access or credit cards, Company identification and any other Company-owned property in Executive's possession or control. Executive further confirms that Executive has cancelled all accounts for Executive's benefit, if any, in the Company's name, including, but not limited to, credit cards, telephone charge cards, cellular phone and/or pager accounts and computer accounts. Executive also confirms that Executive has delivered all passwords in use by Executive at the time of Executive's termination, a list of any documents that Executive created or of which Executive is otherwise aware that are

password-protected, along with the password(s) necessary to access such password-protected documents.

21. No Cooperation. Executive agrees that Executive will not knowingly encourage, counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges or complaints against any of the Releasees, Executive will state no more than that Executive cannot provide any such counsel or assistance.

22. Nondisparagement. Executive agrees that Executive will not in any way, directly or indirectly, do or say anything at any time which disparages the Company, its business interests or reputation or that of any of the other Releasees. Likewise, the Company, through its directors and senior management, will not in any way, directly or indirectly, do or say anything at any time which disparages Executive or her business interests or reputation.

23. No Admission of Liability. Executive understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive. No action taken by the Company hereto, either previously or in connection with this Agreement, will be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

24. Solicitation of Employees. Executive agrees that for a period of 12 months immediately following the Effective Date of this Agreement, Executive will not directly or indirectly (a) solicit, induce, recruit or encourage any of the Company's employees to leave their employment at the Company or (b) attempt to solicit, induce, recruit or encourage, either for Executive or for any other person or entity, any of the Company's employees to leave their employment.

25. Costs. The Parties will each bear their own costs, attorneys' fees and other fees incurred in connection with the preparation of this Agreement.

26. Arbitration. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION AND ANY OF THE MATTERS HEREIN RELEASED, WILL BE SUBJECT TO ARBITRATION IN SAN MATEO COUNTY, CALIFORNIA, BEFORE JUDICIAL ARBITRATION & MEDIATION SERVICES ("***JAMS***"), PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("***JAMS RULES***"). THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR WILL ADMINISTER AND CONDUCT ANY

ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE ARBITRATOR WILL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW WILL TAKE PRECEDENCE. THE DECISION OF THE ARBITRATOR WILL BE FINAL, CONCLUSIVE AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION WILL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION WILL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY WILL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR WILL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT WILL GOVERN.

27. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that Executive has the capacity to act on Executive's own behalf and on behalf of all who might claim through Executive to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

28. No Representations. Executive represents that Executive has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Executive has relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

29. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable or void, this Agreement will continue in full force and effect without said provision or portion of provision.

30. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement and Executive's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Executive's relationship with the Company, with the exception of the Severance Agreement, the Confidentiality Agreement and Executive's written equity compensation agreements with the Company.

31. No Oral Modification. This Agreement may only be amended in writing signed by Executive and the Chairman of the Board of Directors of the Company.

32. Governing Law. This Agreement will be governed by the laws of the State of California, without regard for choice-of-law provisions. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

33. Effective Date. Executive understands that this Agreement will be null and void if not executed by Executive within 21 days. Each Party has seven days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "***Effective Date***").

34. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

35. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive expressly acknowledges that:

    a. Executive has read this Agreement;

    b. Executive has been represented in the preparation, negotiation and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel;

    c. Executive understands the terms and consequences of this Agreement and of the releases it contains; and

    d. Executive is fully aware of the legal and binding effect of this Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

COMPANY CAREDX, INC.

By: _____

Name: _____

Title: _____

Dated: _____

EXECUTIVE

(Signature)

Dated: _____

CareDx, Inc.

CONFIDENTIAL INFORMATION, INVENTION ASSIGNMENT, NON-COMPETITION, AND ARBITRATION AGREEMENT

As a condition of my employment with CareDx, its subsidiaries, affiliates, successors, or assigns (together the "**Company**"), my receipt of confidential information, and the compensation now and hereafter paid to me and benefits provided to me by the Company, I agree to the following provisions of this CareDx Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement (the "**Agreement**"):

1. *At-Will Employment.*

I UNDERSTAND AND ACKNOWLEDGE THAT MY EMPLOYMENT WITH THE COMPANY IS FOR NO SPECIFIED TERM AND CONSTITUTES "AT-WILL" EMPLOYMENT. I ALSO UNDERSTAND THAT ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORIZED AND NOT VALID UNLESS IN WRITING AND SIGNED BY THE PRESIDENT OF THE COMPANY. ACCORDINGLY, I ACKNOWLEDGE THAT MY EMPLOYMENT RELATIONSHIP MAY BE TERMINATED AT ANY TIME, WITH OR WITHOUT GOOD CAUSE OR FOR ANY OR NO CAUSE, AT MY OPTION OR AT THE OPTION OF THE COMPANY, WITH OR WITHOUT NOTICE. I FURTHER ACKNOWLEDGE THAT THE COMPANY MAY MODIFY JOB TITLES, SALARIES, AND BENEFITS FROM TIME TO TIME AS IT DEEMS NECESSARY.

2. *Purpose of Agreement.* I understand that the purpose of this Agreement is to protect the intellectual property, business relationships, goodwill and other assets of the Company, including human capital, and to align the interests of the Company and its employees.

3. *Confidential Information.*

A. *Company Information*. I understand that my employment by the Company creates a relationship of confidence and trust with respect to any information of a confidential or secret nature that (a) relates to the business of the Company or to the business of any parent, subsidiary, affiliate, customer, supplier or vendor of the Company, or any other party with whom the Company agrees to hold information of such party in confidence; (b) that is not generally known to the public or to other persons in the industry; and (c) that the Company has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure ("**Company Confidential Information**"). Company Confidential Information covered by this Agreement means (i) trade secrets; (ii) proprietary information that does not rise to the level of a statutorily protectable trade secret that is made the property of the Company through positive operation of law in the form of this mutual agreement of the parties; or (iii) information that is otherwise legally protectable because it is confidential and is treated as such. Such Company Confidential Information includes, but is not limited to, Inventions (as defined below), knowledge, data, information, know-how, non- public intellectual property rights including unpublished or pending patent applications and all related patent rights, techniques, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data,

and developments, whether or not patentable and whether or not copyrightable. By way of example, Company Confidential Information includes: non-public information relating to the Company's products, services and methods of operation, customers and suppliers, vendors, chemical formulae, computer software, financial information, operating and cost data, research databases, selling and pricing information, business and marketing plans and strategies, and information concerning potential acquisitions, dispositions or joint ventures. The foregoing are only examples of Company Confidential Information.

If I am uncertain as to whether any particular information or material constitutes Company Confidential Information, I will seek written clarification from either my direct supervisor or the Company's Head of Human Resources, or if I am no longer employed by the Company, from the Company's Head of Human Resources.

B. *Confidentiality Obligations*. I agree that, at all times, both during and after my employment with the Company, I will hold all Company Confidential Information in the strictest confidence. I will not use, disclose, copy, reverse-engineer, distribute, or gain unauthorized access to any Company Confidential Information without the prior written consent of the Company, except as may be necessary to perform my duties as an employee of the Company for the benefit of the Company. I understand that my unauthorized access, use or disclosure of Company Confidential Information during my employment may lead to disciplinary action, up to and including immediate termination and legal action by the Company. Notwithstanding my confidentiality obligations, I understand that I am permitted to disclose Company Confidential Information that is required to be disclosed by me pursuant to judicial order or other legal mandate, provided that I have given the Company prompt notice of the disclosure requirement, and that I fully cooperate with any efforts by the Company to obtain and comply with any protective order imposed on such disclosure.

C. *Exceptions to Company Confidential Information*. Notwithstanding the definition set forth in Section 3, Company Confidential Information does not include information that I can show by competent proof: (a) was generally known to the relevant public at the time of disclosure, or became generally known after disclosure to me through no fault of mine; (b) was lawfully received by me from a third party without breach of any confidentiality obligation; (c) was known to me prior to receipt from the Company as shown by documentary evidence; or (d) was independently developed by me or independent third parties without breach by me or any third party of any obligation of confidentiality or non-use as shown by documentary evidence. I understand that nothing in this Agreement is intended to limit employees' rights to discuss the terms, wages, and working conditions of their employment, as protected by applicable law.

D. *Former Employer Information*. I agree that during my employment with the Company, I will not improperly use, disclose, or induce the Company to use any confidential information of any former employer or other person or entity. I further agree that I will not bring onto the premises of the Company or transfer onto the Company's technology systems any confidential information belonging to any such employer, person, or entity unless consented to in writing by both the Company and such employer, person, or entity. I represent and warrant that after undertaking a careful search (including searches of my

computers, cell phones, electronic devices, and documents), I have returned all property and confidential information belonging to all prior employers.

E. *Third Party Information*. I recognize that the Company may have received and in the future may receive from third parties associated with the Company, e.g., the Company's customers, suppliers, licensors, licensees, partners, or collaborators ("**Associated Third Parties**"), their confidential information ("**Associated Third Party Confidential Information**"). By way of example, Associated Third Party Confidential Information may include the technology of Associated Third Parties, requirements of Associated Third Parties, and information related to the business conducted between the Company and such Associated Third Parties. I agree at all times during my employment with the Company and thereafter to hold in the strictest confidence, and not to use or to disclose to any person, firm, or corporation, any Associated Third Party Confidential Information, except as necessary in carrying out my work for the Company consistent with the Company's agreement with such Associated Third Parties. I further agree to comply with any and all Company policies and guidelines that may be adopted regarding Associated Third Parties and Associated Third Party Confidential Information. I understand that my unauthorized use or disclosure of Associated Third Party Confidential Information or violation of any Company policies during my employment will lead to disciplinary action, up to and including immediate termination and legal action by the Company.

4. *Inventions*.

A. *Inventions Retained and Licensed*. I have attached hereto as Exhibit A, a list describing all inventions, discoveries, original works of authorship, developments, improvements, and trade secrets that were conceived in whole or in part by me prior to my employment with the Company and to which I have any right, title, or interest ("**Prior Inventions**"); or, if no such list is attached, I represent and warrant that there are no such Prior Inventions. Furthermore, I represent and warrant that if any Prior Inventions are included on Exhibit A, they will not materially affect my ability to perform all obligations under this Agreement. If, in the course of my employment with the Company, I incorporate into or use in connection with any product, process, service, technology, or other work by or on behalf of the Company any Prior Invention, I hereby grant to the Company a non-exclusive, royalty-free, fully paid-up, irrevocable, perpetual, worldwide license, with the right to grant and authorize sublicenses, to make, have made, modify, use, import, offer for sale, and sell such Prior Invention as part of or in connection with such product, process, service, technology, or other work, and to practice any method related thereto.

B. *Works for Hire; Assignment of Inventions*. I acknowledge and agree that any copyrightable works prepared by me within the scope of my employment, individually or with others, are to the full extent permitted by law "works for hire" under the Copyright Act and that pursuant to this Agreement, the Company is and without any further action required by either party will be considered the author and owner of such copyrightable works. To the extent that any such works do not fully qualify as works for hire, I agree that they are fully subject to the assignment provisions contained herein and hereby assign all such works to the Company as provided herein. I agree that all inventions, improvements, ideas, designs, original works of authorship, formulas, processes,

compositions of matter, computer software programs, databases, mask works, and trade secrets that I make or conceive or first reduce to practice or create, either alone or jointly with others, during the period of my employment, whether or not in the course of my employment, and whether or not patentable, copyrightable, or protectable as trade secrets, that (i) are developed using equipment, supplies, facilities, or trade secrets of the Company, (ii) result from work performed by me for the Company, or (iii) relate to the Company's business or actual or demonstrably anticipated research and development (the "**Inventions**"), are and will continue to be the sole and exclusive property of the Company pursuant to this Agreement without any further action required by either party. Without any further action required, and subject to the provisions of Exhibit B, I hereby irrevocably assign the Inventions to the Company. I understand that this assignment by me pursuant to this Agreement is intended to, and does, extend to subject matters currently in existence, those in development, as well as those that have not yet been created. If, at any time, a court or other tribunal rules that my assignment under this Section is ineffective or unenforceable for any reason, I agree to perform all actions necessary to assign the Inventions and/or Prior Inventions to the Company. I understand and agree that the decision whether or not to commercialize or market any Invention is within the Company's sole discretion and for the Company's sole benefit, and that no royalty or other consideration will be due to me as a result of the Company's efforts to commercialize or market any such Inventions.

C. *Maintenance of Records*. I agree to keep and maintain adequate, current, accurate, and authentic written records of all Inventions made by me (solely or jointly with others) during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings, electronic files, reports, or any other format that may be specified by the Company. The records are and will be available to and remain the sole property of the Company at all times.

D. *Patent and Copyright Registrations*. I agree to assist the Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in the Inventions and any rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, and all other instruments that the Company deems proper or necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to such Inventions and any rights relating thereto, and testifying in a suit or other proceeding relating to such Inventions and any rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers will continue after the termination of this Agreement. If the Company is unable because of my mental or physical incapacity or for any other reason to secure my signature with respect to any Inventions, including, without limitation, to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering such Inventions, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead, to execute and file any

papers and oaths, and to do all other lawfully permitted acts with respect to such Inventions with the same legal force and effect as if executed by me.

E. *Exception to Assignments*. I understand that the provisions of this Agreement requiring assignment of Inventions to the Company do not apply to any invention that qualifies fully under the provisions of California Labor Code Section 2870 or other applicable statute (attached hereto as Exhibit B). I will advise the Company promptly in writing of any inventions that I believe meet the criteria in California Labor Code Section 2870 or other applicable statute and are not otherwise disclosed on Exhibit A.

5. *Conflicting Employment*.

A. *Current Obligations*. I agree that during the term of my employment with the Company, I will not engage in or undertake any other employment, occupation, or consulting relationship that is directly related to the business in which the Company is now involved or becomes involved or in which the Company has plans to become involved, nor will I engage in any other activities that conflict with my obligations to the Company.

B. *No Conflicting Obligations From Prior Relationships*. Without limiting Section 5.A, I represent that I have no other agreements, relationships, or commitments to any other person or entity that conflict with my obligations to the Company under this Agreement or my ability to become employed and perform the services for which I am being hired by the Company. I further agree that if I have signed a confidentiality agreement or similar type of agreement with any former employer or other entity, I will comply with the terms of any such agreement to the extent that its terms are lawful under applicable law. Moreover, I agree to fully indemnify the Company, its directors, officers, agents, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns for all verdicts, judgments, settlements, and other losses incurred by any of them resulting from my breach of my obligations under any agreement to which I am a party or obligation to which I am bound, as well as any reasonable attorneys' fees and costs if the plaintiff is the prevailing party in such an action, except as prohibited by law.

6. *Returning Company Documents*. On or before my last day of employment or at any time on demand by the Company, I will deliver to the Company, and will not keep in my possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Company Confidential Information, Associated Third Party Confidential Information, as well as all devices and equipment belonging to the Company (including computers, handheld electronic devices, telephone equipment, and other electronic devices), Company credit cards, records, data, notes, notebooks, reports, files, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, photographs, charts, any other documents and property, and reproductions of any and all of the aforementioned items that were developed by me pursuant to my employment with the Company, obtained by me in connection with my employment with the Company, or otherwise belonging to the Company, its successors, or assigns, including, without limitation, those records maintained pursuant to Section 4.C. If, at the time of

termination, I have Company Confidential Information stored in my personal computer or any mobile, cloud, or other digital storage medium, I will so advise the Company. I will then work with the Company to ensure that the location of all such information is fully disclosed to the Company, retrieved by the Company in a forensically sound manner, and permanently deleted by the Company or its designee or otherwise treated in accordance with the Company's directions. I also consent to an exit interview to confirm my compliance with this Agreement.

7. *Termination Certification*. Upon separation from employment with the Company, I agree to immediately sign and deliver to the Company the "Termination Certification" attached hereto as Exhibit C. I also agree to keep the Company advised of my home and business address for a period of two (2) years after termination of my employment with the Company, so that the Company can contact me regarding my continuing obligations provided by this Agreement.

8. *Notification of New Employer*. In the event that I leave the employ of the Company, I hereby consent to notification by the Company to my new employer about my obligations under this Agreement.

9. *Non-Competition*. While I am employed by the Company and, subject to the state specific conditions set forth in Exhibit E, for twelve (12) months after the termination of my employment for any reason, I will not directly or indirectly, for myself or on behalf of any other person or entity, engage or attempt to engage in business that competes with the business of the Company in the United States. I acknowledge and agree that the Company provides products and services and conducts its business throughout the entire United States.

A. I understand that some entities engaging in the same or similar business as the Company may also have lines of business, parts of their business, or specific jobs that are wholly unrelated to the Company's business and do not compete with the Company, and I understand that the Company does not intend for the restrictions contained in this Section 9 to include such unrelated lines of business, parts of businesses or jobs.

B. I understand and agree, however, that if I intend to be employed by, perform services for, or otherwise become associated with (as a principal, partner, officer, director, employee, agent, representative, contractor or consultant, whether for compensation or otherwise, or any other individual or representative role) an entity that engages in the same or similar business as the Company, it is presumed that the restrictions contained in Section 9 apply. I agree that if I do not believe the restrictions should apply because I will be performing services that I believe are wholly unrelated to the Company's business and do not compete with the Company, I will alert the Company's Head of Human Resources prior to accepting employment or engagement with such an entity so that the Company may make an assessment as to whether Section 9 would be violated before any potential damage is incurred.

C. I acknowledge that my experience, skills, education and training are readily transferrable and of such breadth that I can use them to my advantage in many other fields. As such, I

agree that the terms of this Section 9 will not unreasonably impair my ability to engage in business or employment activities after I leave the Company.

10. *Non-Solicitation of Employees*. During my employment with the Company I will not directly or indirectly solicit or induce (or attempt to or assist others to solicit or induce) employees or consultants of the Company to terminate their relationship with the Company for my own benefit or for the benefit of any other person or entity. I further agree that, for twelve (12) months following the termination of my employment for any reason, I will not, directly or indirectly, solicit or induce or encourage another entity or person to solicit or induce any person employed by the Company, or any person retained by the Company as an independent contractor during my employment with the Company during the two (2) years prior to the termination of my employment, to terminate an employment relationship or contract with the Company or to obtain employment with another entity or person besides the Company.

11. *Non-Solicitation of Customers*. During my employment with the Company I will not directly or indirectly solicit or induce (or attempt to or assist others to solicit or induce) Customers of the Company (defined below) to terminate their relationship with the Company for my own benefit or for the benefit of any other person or entity. Subject to the state specific conditions set forth in Exhibit E, I further agree that for twelve (12) months following the termination of my employment for any reason, I will not whether directly or indirectly, solicit, communicate with or otherwise contact any of the Company's Customers for the purpose of conducting any business with them that is substantially similar to the business conducted or anticipated to be conducted by the Company during my employment. "Customer" includes any person or entity (or employee or agent of any entity), within the two (2) years before the termination of my employment (i) with whom I dealt or had direct contact; (ii) from whom I or an employee under my supervision solicited business or deals, directly or indirectly; or (iii) about whom, even without direct contact, I received Confidential Information, including but not limited to pricing or sales information. I understand that the fact that any other entity I become associated with has an existing business relationship with any such Customer is not a defense to a claim of violation of this provision.

I acknowledge and agree that the names and addresses of the Company's Customers, its vendors and suppliers, and all other Confidential Information related to them, including their buying and/or selling habits, contracts, and special needs, whether created or obtained by, or disclosed to me during my employment, constitute Company Confidential Information.

12. *Conflict of Interest Guidelines*. I agree to diligently adhere to all policies of the Company, including the Conflict of Interest Guidelines attached as Exhibit D hereto, which may be revised from time to time during my employment.

13. *Audit*. I acknowledge that I have no reasonable expectation of privacy in any computer, technology system, email, handheld device, telephone, or documents that are used to conduct the business of the Company. As such, the Company has the right to audit and search all such items and systems, without further notice to me, to ensure that the Company is licensed to use the software on the Company's devices in compliance with

the Company's software licensing policies, to ensure compliance with the Company's policies, and for any other business-related purposes in the Company's sole discretion. I understand that I am not permitted to add any unlicensed, unauthorized, or non-compliant applications to the Company's technology systems and that I will refrain from copying unlicensed software onto the Company's technology systems or using non-licensed software or websites. I understand that it is my responsibility to comply with the Company's policies governing use of the Company's documents and the internet, email, telephone, and technology systems to which I will have access in connection with my employment.

14. *Arbitration and Equitable Relief in Aid of Arbitration.*

A. *Arbitration*. IN CONSIDERATION OF MY EMPLOYMENT WITH THE COMPANY, ITS PROMISE TO ARBITRATE ALL EMPLOYMENT-RELATED DISPUTES, AND MY RECEIPT OF THE COMPENSATION, PAY RAISES, AND OTHER BENEFITS PAID TO ME BY THE COMPANY, AT PRESENT AND IN THE FUTURE AS WELL AS OTHER CONSIDERATION DESCRIBED IN THIS AGREEMENT, I AGREE THAT ANY AND ALL CONTROVERSIES, CLAIMS, OR DISPUTES WITH ANYONE (INCLUDING THE COMPANY AND ANY EMPLOYEE, OFFICER, DIRECTOR, AGENT, SHAREHOLDER, OR BENEFIT PLAN OF THE COMPANY, IN THEIR CAPACITY AS SUCH OR OTHERWISE), INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF, RELATING TO, OR RESULTING FROM MY EMPLOYMENT WITH THE COMPANY OR THE TERMINATION OF MY EMPLOYMENT WITH THE COMPANY, INCLUDING ANY BREACH OF THIS AGREEMENT, WILL BE SUBJECT TO BINDING ARBITRATION. THE FEDERAL ARBITRATION ACT, 9 U.S.C. SECTION 1 *ET SEQ*., WILL GOVERN THIS ARBITRATION AGREEMENT, EXCEPT THAT IF THE FAA FOR ANY REASON IS HELD NOT TO APPLY, THEN THE ARBITRATION LAW OF THE STATE IN WHICH I LAST RENDERED SERVICES TO THE COMPANY WILL APPLY. DISPUTES THAT I AGREE TO ARBITRATE, AND THEREBY AGREE TO WAIVE ANY RIGHT TO A TRIAL BY JURY, INCLUDE ANY CLAIMS UNDER LOCAL, STATE, OR FEDERAL LAW, INCLUDING, BUT NOT LIMITED TO CLAIMS UNDER TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, THE AMERICANS WITH DISABILITIES ACT OF 1990, THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, THE OLDER WORKERS BENEFIT PROTECTION ACT, THE SARBANES-OXLEY ACT, THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT, THE FAMILY AND MEDICAL LEAVE ACT, CLAIMS OF HARASSMENT, DISCRIMINATION, AND WRONGFUL TERMINATION, AND ANY OTHER FEDERAL AND STATE STATUTORY OR COMMON LAW CLAIMS. I FURTHER UNDERSTAND THAT THIS AGREEMENT TO ARBITRATE ALSO APPLIES TO ANY DISPUTES THAT THE COMPANY MAY HAVE WITH ME, AND THAT THIS ARBITRATION AGREEMENT IS BINDING ON THE COMPANY WITHOUT NEED FOR ITS SIGNATURE.

B. *Procedure*. I AGREE THAT ANY ARBITRATION WILL BE ADMINISTERED BY JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("JAMS"),

PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES (THE "JAMS RULES"), EXCEPT THAT (NOTWITHSTANDING ANY PROVISION OF THE JAMS RULES), I AGREE THAT A COURT OF COMPETENT JURISDICTION, AND NOT AN ARBITRATOR, WILL HAVE THE AUTHORITY TO RESOLVE ANY DISPUTE OVER WHETHER THIS AGREEMENT OR ANY PORTION THEREOF IS VOID OR OTHERWISE UNENFORCEABLE. EACH PARTY SHALL HAVE THE RIGHT TO TAKE DEPOSITIONS OF THREE FACT WITNESSES AND ANY EXPERT WITNESS DESIGNATED BY ANOTHER PARTY. EACH PARTY ALSO SHALL HAVE THE RIGHT TO SERVE REQUESTS FOR PRODUCTION OF DOCUMENTS AND REQUESTS FOR INSPECTION TO ANY PARTY, AND TO SUBPOENA DOCUMENTS FROM THIRD PARTIES TO THE EXTENT ALLOWED BY LAW. REQUESTS FOR ADDITIONAL DEPOSITIONS OR DISCOVERY MAY BE MADE TO THE ARBITRATOR SELECTED PURSUANT TO THIS AGREEMENT. THE ARBITRATOR MAY GRANT SUCH ADDITIONAL DISCOVERY IF THE ARBITRATOR FINDS THAT THE PARTY HAS DEMONSTRATED THAT IT NEEDS THAT DISCOVERY TO ADEQUATELY ARBITRATE THE CLAIM, TAKING INTO ACCOUNT THE PARTIES' MUTUAL DESIRE TO HAVE A SPEEDY, LESS-FORMAL, COST-EFFECTIVE DISPUTE-RESOLUTION MECHANISM. I AGREE THAT THE ARBITRATOR WILL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, PRIOR TO ANY ARBITRATION HEARING. I ALSO AGREE THAT THE ARBITRATOR WILL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, INCLUDING EQUITABLE RELIEF AND DAMAGES, AND THAT THE ARBITRATOR WILL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. I UNDERSTAND THAT THE COMPANY WILL PAY FOR ANY ADMINISTRATIVE OR HEARING FEES CHARGED BY THE ARBITRATOR OR JAMS EXCEPT THAT I WILL PAY ANY FILING FEES ASSOCIATED WITH ANY ARBITRATION THAT I INITIATE, BUT ONLY SO MUCH OF THE FILING FEES AS I WOULD HAVE INSTEAD PAID HAD I FILED A COMPLAINT IN A COURT OF LAW. I AGREE THAT THE DECISION OF THE ARBITRATOR WILL BE IN WRITING. I UNDERSTAND THAT, IN THE EVENT OF A BREACH OF THIS AGREEMENT, THE AGGRIEVED PARTY MAY PURSUE ANY AND ALL AVAILABLE LEGAL REMEDIES, INCLUDING EQUITABLE AND MONETARY DAMAGES, IN ARBITRATION.

C. *Forum and Equitable Relief in Aid of Arbitration.* I AGREE THAT ANY ARBITRATION UNDER THIS AGREEMENT WILL BE CONDUCTED IN SAN MATEO COUNTY (UNLESS OTHERWISE REQUIRED BY LAW, IN WHICH CASE IT WILL OCCUR IN THE COUNTY OR COMPARABLE GOVERNMENTAL UNIT WHERE I LAST RENDERED SERVICES TO THE COMPANY). EXCEPT AS PROVIDED BY LAW AND THIS AGREEMENT, ARBITRATION WILL BE THE SOLE, EXCLUSIVE, AND FINAL FORUM FOR ANY DISPUTE BETWEEN ME AND THE COMPANY. ACCORDINGLY, EXCEPT AS PROVIDED FOR BY LAW,

OTHER THAN COURT ACTION FOR EQUITABLE RELIEF IN AID OF ARBITRATION, NEITHER I NOR THE COMPANY WILL BE PERMITTED TO PURSUE COURT ACTION REGARDING CLAIMS THAT ARE SUBJECT TO ARBITRATION. I UNDERSTAND THAT IN THE EVENT OF A BREACH OR THREATENED BREACH OF THIS AGREEMENT, THE AGGRIEVED PARTY MAY SUFFER IRREPARABLE HARM. ANY PARTY OR THIRD-PARTY BENEFICIARY OF THIS AGREEMENT MAY SEEK TEMPORARY EQUITABLE RELIEF (INCLUDING WITHOUT LIMITATION, A TEMPORARY RESTRAINING ORDER OR PRELIMINARY INJUNCTION) IN AID OF ARBITRATION, WHERE SUCH RELIEF IS OTHERWISE AVAILABLE BY LAW, FROM THE FEDERAL OR STATE COURTS IN CALIFORNIA, TO WHICH I CONSENT TO PERSONAL JURISDICTION, (UNLESS OTHERWISE REQUIRED BY LAW, IN WHICH CASE IT WILL OCCUR IN THE COUNTY OR COMPARABLE GOVERNMENTAL UNIT WHERE I LAST RENDERED SERVICES TO THE COMPANY) OR FROM AN ARBITRATOR PURSUANT TO THE EMERGENCY RELIEF PROCEDURES AS SET FORTH IN JAMS COMPREHENSIVE ARBITRATION RULES & PROCEDURES. I HEREBY CONSENT TO THE JURISDICTION OF

D. *Class and Collective Actions*. NOTWITHSTANDING ANY PROVISION OF THE JAMS RULES, AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, I WAIVE THE RIGHT TO BRING, PARTICIPATE IN, OR RECOVER UNDER, A CLASS OR COLLECTIVE ACTION.

E. *Administrative Relief*. I UNDERSTAND THAT THIS AGREEMENT DOES NOT PROHIBIT ME FROM PURSUING OR RECOVERING UNDER AN ADMINISTRATIVE CLAIM WITH A LOCAL, STATE, OR FEDERAL ADMINISTRATIVE BODY OR GOVERNMENT AGENCY THAT IS AUTHORIZED TO ENFORCE OR ADMINISTER LAWS RELATED TO EMPLOYMENT, INCLUDING, BUT NOT LIMITED TO, THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING, THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, THE NATIONAL LABOR RELATIONS BOARD, OR THE WORKERS' COMPENSATION BOARD. THIS AGREEMENT DOES, HOWEVER, PRECLUDE ME FROM PURSUING COURT ACTION REGARDING ANY SUCH CLAIM, EXCEPT AS PERMITTED BY LAW.

F. *Voluntary Nature of Agreement*. I ACKNOWLEDGE AND AGREE THAT I AM EXECUTING THIS AGREEMENT VOLUNTARILY AND WITHOUT ANY DURESS OR UNDUE INFLUENCE BY THE COMPANY OR ANYONE ELSE. I FURTHER ACKNOWLEDGE AND AGREE THAT I HAVE CAREFULLY READ THIS AGREEMENT AND THAT I HAVE ASKED ANY QUESTIONS NEEDED FOR ME TO UNDERSTAND THE TERMS, CONSEQUENCES, AND BINDING EFFECT OF THIS AGREEMENT AND FULLY UNDERSTAND IT, INCLUDING THAT I AM WAIVING MY RIGHT TO A JURY TRIAL. FINALLY, I AGREE THAT I HAVE BEEN PROVIDED AN OPPORTUNITY TO SEEK THE ADVICE OF AN ATTORNEY OF MY CHOICE BEFORE SIGNING THIS AGREEMENT.

15. *DTSA Notification.* Notwithstanding my confidentiality obligations set forth in this Agreement, I understand that, pursuant to the Defend Trade Secrets Act of 2016, I will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the trade secret to my attorney and may use the trade secret information in the court proceeding, if I (a) file any document containing the trade secret under seal and (b) do not disclose the trade secret, except pursuant to court order. I understand that in the event it is determined that disclosure of trade secrets was not done in good faith for the reasons described above, I will be subject to damages, including punitive damages and attorneys' fees.

16. *General Provisions.*

A. *Governing Law*. Except as provided in Section 14 above, and subject to the provisions of Exhibit E, this Agreement will be governed by the laws of the State in which I last rendered services to the Company.

B. *Entire Agreement*. This Agreement, together with the Exhibits herein and any executed written offer letter between me and the Company sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein, and supersedes all prior discussions or representations between us, including, but not limited to, any representations made during my interview(s) or relocation negotiations, whether written or oral. Should my offer letter contradict this Agreement, this Agreement will govern. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by the President of the Company and the party to be bound. Any subsequent change or changes in my duties, salary, or compensation will not affect the validity or scope of this Agreement.

C. *Severability*. The provisions of this Agreement are severable. In addition, in the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed or if any provision is held overbroad or invalid by a court acting in aid of arbitration or arbitrator with jurisdiction over the parties to this Agreement, that provision will be deemed to be amended and reformed (and the parties agree to grant the court or arbitrator the authority to perform such amendment and reform) to reflect as nearly as possible the original intentions of the parties in accordance with the applicable law. The remaining provisions of the Agreement will continue in full force and effect.

D. *Successors and Assigns*. This Agreement will be binding upon my heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. There are no intended third-party beneficiaries to this Agreement, except as expressly stated.

E. *Waiver*. Waiver by the Company of a breach of any provision of this Agreement must be in writing and will not operate as a waiver of any other or subsequent breach.

F. *Survivorship*. The rights and obligations of the parties to this Agreement will survive termination of my employment with the Company.

Date: Sep 9, 2024

/s/ Jessica Meng

Signature

Jessica Meng

Name of Employee (typed or printed)

Exhibit A

LIST OF PRIOR INVENTIONS

AND ORIGINAL WORKS OF AUTHORSHIP

Title	Date	Identifying Number of Brief Description

X No inventions or improvements

Additional Sheets Attached

Signature of Employee: /s/ Jessica Meng

Print Name of Employee: Jessica Meng

Date: Sep 9, 2024

Exhibit B

STATE INVENTION STATUTES

(a) For employees who primarily live and work in California: Under California Labor Code Section 2870, (i) Any provision in an employment agreement which provides that an employee will assign, or offer to assign, any of his or her rights in an invention to his or her employer will not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(ii) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

(b) For employees in Illinois: Your agreement to assign to the Company any of your rights as set forth in Section 4 does not apply to any invention that qualifies fully under the provisions of 765 Ill. Comp. Stat. 1060/2, to an invention for which no equipment, supplies, facilities, or trade secret information of Company was used and which was developed entirely on your own time, unless (a) the invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by you for the Company.

Exhibit C CareDx, Inc.

TERMINATION CERTIFICATION

CareDx, Inc. (the "Company") requests that you carefully review, complete, and execute this acknowledgment and certification. (If your response requires additional space, please attach and initial any supplemental pages).

1. Following the termination of my employment with the Company, I have accepted or intend to accept, or plan to apply for or otherwise seek, employment with (list all responsive entities and location of entities):

2. The position I have accepted or intend to accept is (title and general description of duties):

3. I certify that the following is a complete and exhaustive list of all electronic storage devices (ESDs), including all personal computer(s), personal email accounts, personal "smart" phones, USB flash drives (thumb drives), external storage drives, compact discs, zip discs, DVDs, SD cards, digital cameras, memory sticks, and any other electronic storage devices, and/or accounts capable of caching confidential information, **identified by make and model or account address**, that I have, at any time, connected to any Company computer, or used to access, download, disclose, transfer, send, receive, or store any Company data or information:

4. I certify that the following is a complete and exhaustive list of all email accounts, cloud storage accounts, FTP/secure FTP, network shared folders or drives, social media accounts, instant messaging accounts, mobile storage, or communication apps that I have, at any time, used to access, download, disclose, transfer, send, or receive any communication containing Company data or information:

5. I have been provided with a copy of my Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement ("**Agreement**"). I have reviewed and

understand my continuing obligations as set forth in the Agreement, and I reaffirm my certification of these obligations.

6. I further acknowledge and understand that, pursuant to my Agreement, I have post- employment non-competition and non-solicitation obligations that I owe to the Company, and I will continue to abide by these obligations.
7. I [have/have not (circle one)] copied, saved, retained, disclosed, or transmitted, in any form whatsoever, any "**Company Confidential Information**" (as defined in my Agreement) outside the course of performing my duties for the Company's benefit. If "have" is circled, identify the protected Company Confidential Information copied, saved, retained, disclosed, or transmitted in connection with a non-Company business-related purpose, the date of the incident, the parties involved, and the person and/or location to whom/where the Company Confidential Information was copied, saved, retained, disclosed, or transmitted:

8. During my employment with the Company, I [have/have not (circle one)] downloaded and/or stored Company files or data on my home or personal computer. If "have" is circled, identify the Company files or data downloaded or stored on the home or personal computer:

9. During my employment with the Company, I [had/did not have (circle one)] the ability to access files or data from the Company's servers remotely. If "had" is circled, identify the Company's files or data accessed remotely, and the computer media used for remote access:

10. During my employment with the Company, I [used/did not use (circle one)] a personal mobile phone or electronic storage device and/or backed up the contents of my Company- provided mobile phone or electronic storage device.
11. I certify that I have not misused, and will not misuse, the right of access to any Company Confidential Information. I have only accessed Company Confidential Information as

required by my duties to the Company, and only at times when there was a legitimate business reason to access the information.

12. Except as disclosed in response herein, I certify that I have returned all Company property in my possession and have not retained any copies of such property, including but not limited to any Company Confidential Information. I have also returned all keys, access cards, credit cards, identification cards, phones, computers, electronic storage media, or devices that have been connected to any Company computer or on which I have stored any Company Confidential Information, electronic mail devices, electronic organizers, any other Company-issued electronic device, and other property and equipment belonging to the Company.
13. I agree that following my termination, I will not either directly or indirectly solicit or induce (or attempt to or assist others to solicit or induce) any of the Company's employees to leave their employment, or to enter into an employment, consulting, contractor, or other relationship with any other person, firm, business entity, or organization (including with myself), as set forth in Section 10 of the Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement.
14. I agree that following my termination, I will not either directly or indirectly solicit or induce (or attempt to or assist others to solicit or induce) for the benefit of myself or any other person or entity any of the Company's Customers, as set forth in Section 11 of the Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement.
15. I understand that the above is a summary only and does not purport to include all my continuing obligations to the Company under my Agreement. In the case of any conflict between this Termination Certification and my Agreement, the terms of my Agreement control.

_____

Signature of employee

_____

Print name

_____ *Date*

Address for Notifications:

Exhibit D

CareDx, Inc.

CONFLICT OF INTEREST GUIDELINES

It is the policy of CareDx, Inc. (the "Company") to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, while working for the Company, all officers, employees, and independent contractors must avoid activities that are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations that must be avoided:

1. Revealing Company Confidential Information (as defined in the Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement) to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. The Confidential Information, Invention Assignment, Non-Competition and Arbitration Agreement elaborates on this principle and is a binding agreement.
2. Accepting or offering substantial gifts, excessive entertainment, favors, or payments that may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.
3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.
4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.
5. Initiating or approving any form of personal or social harassment of employees.
6. Investing or holding outside directorship in suppliers, customers, or competing companies, including financial speculations, where such investment or directorship might influence in any manner a decision or course of action of the Company.
7. Borrowing from or lending to employees, customers, or suppliers.
8. Acquiring real estate I know or should know is of interest to the Company.
9. Improperly using or disclosing to the Company any confidential information or trade secrets of any former or concurrent employer or other person or entity with whom obligations of confidentiality exist.
10. Unlawfully discussing prices, costs, customers, sales, or markets with competing companies or their employees.
11. Making any unlawful agreement with distributors, including but not limited to with respect to prices.

12. Improperly using or authorizing the use of any inventions that are the subject of patent claims of any other person or entity.

13. Engaging in any conduct that is not in the best interest of the Company.

Each officer, employee, and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in discharge without warning.

Exhibit E

JURISDICTION SPECIFIC MODIFICATIONS

A. **California.** For so long as I reside or work in California and am subject to the laws of California: (i) no provision or requirement of this Agreement will be construed or interpreted in a manner contrary to the express public policy of the State of California, (ii) the Obligations of Section 9 will not apply; and (iii) Section 11 will prohibit the listed actions only to the extent I am aided in my conduct by use or disclosure of trade secrets (as defined by applicable law).

B. **Massachusetts.** For so long as Massachusetts General Laws Part I Title XXI Chapter 149 Section 24 L applies to my obligations under this Agreement: (i) the Obligations in Section 9 will only apply within any geographical area (a) where I had responsibilities on behalf of the Company or about which I received Confidential Information during the two (2) years prior to the cessation of my employment (b) in which the Company is engaged in business; (ii) Section 9 is further limited to situations where I am performing services that are the same as or similar in function or purpose to the services I performed for Company during the two (2) years prior to the cessation of my employment and are not enforceable if I have been terminated without cause or laid off; (iii) if at the date of the termination of my employment I am and at least the 30 days prior to that date I have been, a resident of or employed in Massachusetts, all civil actions relating to Sections 9 and 11 of this Agreement will be brought in the county where I reside or, if mutually agreed upon by the Company and me, in Suffolk County, Massachusetts; provided that, in any such action brought in Suffolk County, the superior court or the business litigation session of the superior court will have exclusive jurisdiction; (iv) this Agreement is amended to add the following new Section:

> I agree that I have received fair and reasonable consideration for my obligations under this Agreement. I have had the right to consult with an attorney and have been given at least ten business days to consider this Agreement.

C. **Louisiana.** For so long as I am subject to the laws of Louisiana, the obligations in Section 9 will apply to me in the specific parishes in which I live or work during the two (2) years prior to the termination of my employment with the Company.

D. **Oklahoma.** For so long as I am subject to the laws of Oklahoma, the obligations in Section 9 will not apply and Section 11 will be modified to provide that:

During my employment with the Company I will not directly or indirectly solicit or induce (or attempt to solicit or induce) established Customers of the Company to terminate their relationship with the Company for my own benefit or for the benefit of any other person or entity. I further agree that following the termination of employment for any reason, I will not directly solicit or induce established Customers of the Company with which the Company has transacted business within the two (2) year period prior to the termination of my employment and with which I or persons supervised by me had material business- related contact or about which I have had access to Confidential Information during the two (2) years prior to the termination of my employment to

terminate their relationship with the Company for my own benefit or for the benefit of any other person or entity.

I acknowledge and agree that the names and addresses of the Company's Customers, its vendors and suppliers, and all other Confidential Information related to them, including their buying and/or selling habits, contracts, and special needs, whether created or obtained by, or disclosed to me during my employment, constitute Company Confidential Information.

SEPARATION AGREEMENT AND RELEASE OF CLAIMS

This Separation Agreement and Release of Claims (this "***Agreement***") is made by and between CareDx, Inc. (the "***Company***"), and Alexander Johnson ("***Executive***"). The Company and Executive are sometimes collectively referred to herein as the "***Parties***" and individually referred to as a "***Party***."

RECITALS

WHEREAS, Executive signed an At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement with the Company on March 29, 2018 (the "***Confidentiality Agreement***");

WHEREAS, Executive signed a Change of Control and Severance Agreement with the company on July 19, 2021 (the "***Severance Agreement***"), which, among other things, provides for certain severance benefits to be paid to Executive by the Company upon the termination of Executive's employment without Cause, unrelated to a Change of Control (as defined in the Severance Agreement) or following a Change of Control of the Company;

WHEREAS, Executive was employed by the Company until September 13, 2024 ("***Separation Date***"), when Executive's employment was terminated without Cause unrelated to a Change of Control;

WHEREAS, in accordance with Section 4 of the Severance Agreement between the Company and Executive, Executive has agreed to enter into and not revoke a standard release of claims in favor of the Company as a condition to receiving the Consideration (as defined below);

WHEREAS, in connection with Executive's termination of employment, Executive has agreed to offer consulting services to the Company, pursuant to a separate Consulting Agreement, which will take effect on September 14, 2024 (the "***Consulting Agreement***"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that Executive may have against the Company and any of the Releasees (as defined below), including, but not limited to, any and all claims arising out of or in any way related to Executive's employment relationship with the Company and the termination of that relationship.

NOW THEREFORE, for good and valuable consideration, including the mutual promises and covenants made herein, the Company and Executive hereby agree as follows:

COVENANTS

1. Separation. Executive's employment with the Company concluded on the Separation Date.
2. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the Consideration (as defined below) and as provided in the Consulting Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, draws, stock, stock options or other equity awards (including restricted stock unit awards), vesting, and

any and all other benefits and compensation due to Executive and that no other reimbursements or compensation are owed to Executive.

3. Separation Benefits. In consideration of Executive's release and waiver of claims set forth in Sections 4 and 5 hereof, and subject to Executive's execution, delivery and non-revocation of this Agreement and continued compliance with this Agreement, the Company will provide Executive with the following separation benefits (collectively, the "***Consideration***"):

   (a) The separation benefits as set forth in Section 3(a) of the Severance Agreement;

   (b) A lump-sum cash payment in an amount equal to $517,920, representing an amount equal to two hundred percent (200%) of Executive's target bonus as in effect for the 2024 fiscal year, such amount to be paid at the same time 2024 annual bonuses are generally paid to other senior executives of the Company, but in no event later than March 15, 2025; and

   (c) An amount equal to $300,000, representing the unpaid portion of the retention bonus payable pursuant to that certain letter agreement between Executive and the Company, dated December 1, 2023, such amount to be subject to applicable withholding and paid on the first regularly scheduled payroll date in December 2024.

4. Release of Claims. Executive agrees that the Consulting Agreement and Consideration to be paid in accordance with Section 3 hereof and the terms and conditions of the Severance Agreement represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, stockholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "***Releasees***"). Executive, on Executive's own behalf and on behalf of Executive's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date (as defined below) of this Agreement, including, without limitation the following:

   (a) any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

   (b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this Section 4 (the "***Release***") will be and remain in effect in all respects as a complete general release as to the matters released. The Release does not extend to any severance obligations due Executive under the Severance Agreement. The Release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Executive the right to recover any monetary damages against the Company; Executive's release of claims herein bars Executive from recovering such monetary relief from the Company). Executive represents that Executive has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section 4. Nothing in this Agreement waives Executive's rights to indemnification or any payments under any fiduciary insurance policy, if any,

provided by any act or agreement of the Company, state or federal law or policy of insurance.

5. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***") and that this waiver and release is knowing and voluntary. Executive agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing that

   (a) Executive should consult with an attorney ***prior*** to executing this Agreement;

   (b) Executive has at least 21 days within which to consider this Agreement;

   (c) Executive has 7 days following the execution of this Agreement by the parties to revoke the Agreement;

   (d) this Agreement will not be effective until the revocation period has expired; and

   (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and delivers it to the Company in less than the 21-day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Executive acknowledges and understands that revocation must be accomplished by a written notification to the General Counsel of the Company that is received prior to the Effective Date.

6. California Civil Code Section 1542. Executive acknowledges that Executive has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

   A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of California Civil Code Section 1542, agrees to expressly waive any rights Executive may have thereunder, as well as under any other statute or common law principles of similar effect.

7. No Pending or Future Lawsuits. Executive represents that Executive has no lawsuits, claims, or actions pending in Executive's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. The Company represents that

the Company has no lawsuits, claims, or actions pending in the Company's name against the Executive. Executive also represents that Executive does not intend to bring any claims on Executive's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

8. Sufficiency of Consideration. Executive hereby acknowledges and agrees that Executive has received good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Release.

9. Confidential Information. Executive reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, which agreement will continue in force; *provided, however*, that: (a) as to any provisions regarding competition contained in the Confidentiality Agreement that conflict with the provisions regarding competition contained in the Severance Agreement, the provisions of the Severance Agreement will control; (b) as to any provisions regarding solicitation of employees contained in the Confidentiality Agreement that conflict with the provisions regarding solicitation of employees contained in this Agreement, the provisions of this Agreement will control.

10. Return of Company Property; Passwords and Password-protected Documents. Executive confirms that Executive will return to the Company in good working order all keys, files, records (and copies thereof), equipment (including, but not limited to, computer hardware, software and printers, wireless handheld devices, cellular phones and pagers), access or credit cards, Company identification, and any other Company-owned property in Executive's possession or control. Executive further confirms that Executive will cancel all accounts for Executive's benefit, if any, in the Company's name, including, but not limited to, credit cards, telephone charge cards, cellular phone and/or pager accounts and computer accounts. Executive also confirms that Executive has delivered all passwords in use by Executive at the time of Executive's termination, a list of any documents that Executive created or of which Executive is otherwise aware that are password- protected, along with the password(s) necessary to access such password-protected documents. All of the foregoing obligations will be completed promptly after the conclusion of Executive's provision of consulting services, unless earlier requested in writing by the Company, in which case, such will be completed promptly after Executive's receipt of the written request.

11. No Cooperation. Executive agrees that Executive will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Executive agrees both to promptly notify the Company upon receipt of any such subpoena or court order, and to furnish, within seven days of its receipt, a copy of such subpoena or other court order, if permitted by governing law. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints

against any of the Releasees, Executive will state no more than that Executive cannot provide any such counsel or assistance.

12. Nondisparagement. Executive agrees that Executive will not directly or indirectly disparage or defame the Company, its business interests or reputation, or that of any of the other Releasees. The Company agrees not to issue any public statements or press releases making, and to instruct the current members of the Board of Directors of the Company and the current executive officers of the Company to not make, any disparaging or defamatory comments regarding Executive.

13. No Admission of Liability. Executive understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive. No action taken by the Company hereto, either previously or in connection with this Agreement, will be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

14. Solicitation of Employees. Executive agrees that for a period of 12 months immediately following the Effective Date of this Agreement, Executive will not directly or indirectly solicit, or recruit any of the Company's employees to leave their employment at the Company either for Executive or for any other person or entity, any of the Company's employees to leave their employment.

15. Costs. The Parties will each bear their own costs, attorneys' fees and other fees incurred in connection with the preparation of this Agreement.

16. Arbitration. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, AND ANY OF THE MATTERS HEREIN RELEASED, WILL BE SUBJECT TO ARBITRATION IN SANTA CLARA COUNTY, BEFORE JUDICIAL ARBITRATION & MEDIATION SERVICES ("***JAMS***"), PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("***JAMS RULES***"). THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR WILL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE ARBITRATOR WILL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW WILL TAKE PRECEDENCE. THE DECISION OF THE ARBITRATOR WILL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION WILL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE COMPANY WILL PAY THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY WILL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; THE ARBITRATOR WILL NOT AWARD ATTORNEYS' FEES AND COSTS TO

THE PREVAILING PARTY, EXCEPT AS REQUIRED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT WILL GOVERN.

17. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that Executive has the capacity to act on Executive's own behalf and on behalf of all who might claim through Executive to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

18. No Representations. Executive represents that Executive has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Executive has relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

19. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision or portion of provision.

20. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement and Executive's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Executive's relationship with the Company, with the exception of the Severance Agreement, the Confidentiality Agreement, the Consulting Agreement, and Executive's written equity compensation agreements with the Company.

21. No Oral Modification. This Agreement may only be amended in writing signed by Executive and the Chairman of the Board of Directors of the Company.

22. Governing Law. This Agreement will be governed by the laws of the State of California, without regard for choice-of-law provisions. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

23. Effective Date. Executive understands that he may review this Agreement for at least 21 days. Executive has seven (7) days after he signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Executive signed this Agreement, so long as it has not been revoked by Executive before that date (the "***Effective Date***").

24. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

25. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive expressly acknowledges that:

    (a) Executive has read this Agreement;

    (b) Executive has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel;

    (c) Executive understands the terms and consequences of this Agreement and of the releases it contains; and

    (d) Executive is fully aware of the legal and binding effect of this Agreement.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

COMPANY CAREDX, INC.

By: /s/ John W. Hanna

Name: John W. Hanna

Title: President and Chief Executive Officer

Dated: September 30, 2024

EXECUTIVE Alexander Johnson, an individual

By: /s/ Alexander Johnson

(Signature)

Dated: September 30, 2024

CONSULTING AGREEMENT

This Consulting Agreement ("Agreement") is entered into on September 30, 2024 and is effective on September 14, 2024 ("Effective Date") and is between CareDx, Inc., with a business address at 8000 Marina Blvd, Brisbane, CA 94005 ("CareDx" or the "Company") and Alexander Johnson ("Consultant"). CareDx and Consultant may be referred to individually as a ("Party") and collectively as the ("Parties").

1. **Services**

   a. Consultant will perform the consulting services described in Exhibit A ("Services"). CareDx will compensate Consultant as set forth in Exhibit A. Both Parties acknowledge that this compensation represents the fair market value of Consultant's Services.

   b. Upon written backup provided to CareDx, CareDx will reimburse Consultant for all reasonable travel, lodging and incidental expenses incurred in the performance of the Services ("Reimbursable Expenses").

   c. CareDx must comply with legal requirements to provide compliance and regulatory training to certain of its consultants. Consultant agrees to complete any appropriate mandated training as may be assigned by CareDx.

2. **Confidentiality**

   a. Consultant understands that his consulting work for CareDx creates a relationship of confidence and trust with respect to any information of a confidential or secret nature that (i) relates to the business of CareDx or to the business of any parent, subsidiary, affiliate, customer or vendor of CareDx or any other party with whom CareDx agrees to hold information of such party in confidence; (ii) is not generally known to the public or to other persons in the industry; and (iii) CareDx has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure ("Confidential Information"). Confidential Information means (a) trade secrets; (b) proprietary information that does not rise to the level of a statutorily protectable trade secret that is made the property of CareDx through positive operation of law in the form of this mutual agreement of the parties; or (c) information that is otherwise legally protectable. Such Confidential Information includes, but is not limited to, Work Product (as defined below), information protected by the attorney/client privilege and attorney work product doctrine, and non-public knowledge, data, information and know-how, such as information relating to CareDx's products, services, and methods of operation, the identities and competencies of CareDx's employees, customers and suppliers, chemical formulae, computer software, financial information, operating and cost data, research databases, selling and pricing information, business and marketing plans, and information concerning potential acquisitions, dispositions or joint ventures, as well as all non-public intellectual property rights including unpublished or pending patent applications and all related patent rights, techniques, formulae, processes, discoveries, improvements, ideas, conceptions,

compilations of data and developments, whether or not patentable and whether or not copyrightable. The foregoing are only examples of Confidential Information.

b. Consultant will, at all times, both during the term of this Agreement and for seven (7) years thereafter, hold all Confidential Information in the strictest confidence. Consultant will not attempt unauthorized access to Confidential Information, or use, disclose, copy, reverse-engineer or distribute any Confidential Information without the prior written consent of CareDx, except as may be necessary to perform Services. Despite Consultant's confidentiality obligations, Consultant understands that he is permitted to disclose Confidential Information that is required to be disclosed pursuant to regulatory, administrative, judicial order or other legal mandate, provided that, to the extent legally permitted, Consultant has given CareDx prompt notice of the disclosure requirement, and that Consultant reasonably cooperates with any efforts by CareDx to obtain and comply with any protective order imposed on such disclosure.

c. Confidential Information does not include information that Consultant can show: (i) was generally available to, or known by, the relevant public at the time of disclosure, or became generally available to, or known by the relevant public, after disclosure to Consultant; (ii) was lawfully received by Consultant from a third party without breach of any confidentiality obligation; (iii) was known to Consultant prior to receipt from CareDx; or (iv) was independently developed by Consultant or independent third parties without breach by Consultant or any third party of any obligation of confidentiality or non-use.

d. During the term of this Agreement, Consultant will not improperly use, disclose or induce CareDx to use any confidential information of any former or current employer (other than CareDx) or other person or entity with which Consultant has an agreement or duty to keep information in confidence.

e. Upon termination or expiration of this Agreement, or upon CareDx's earlier written request, Consultant will deliver to CareDx, and will not keep in his possession, recreate or deliver to anyone else, any and all CareDx property, including, but not limited to, Confidential Information, as well as all devices and equipment belonging to CareDx (including computers, handheld electronic devices, telephone equipment and other electronic devices), CareDx credit cards, records, data, notes, notebooks, reports, files, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, photographs, charts, any other documents and property, and reproductions of any and all of the aforementioned items that were developed by Consultant as part of Consultant's Services for CareDx, obtained by Consultant in connection with Consultant's Services for CareDx, or otherwise belonging to CareDx. If, at the time of termination, Consultant has Confidential Information stored in Consultant's personal computer or any mobile, cloud or other storage medium, Consultant will so advise CareDx and not delete, cache or transfer it. Consultant will then work with CareDx to ensure that the location of all such information is fully disclosed

to CareDx, retrieved and returned to CareDx in a forensically sound manner, and is permanently deleted.

3. Intellectual Property

a. Consultant hereby assigns and will assign all inventions, improvements, ideas, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs and databases, that Consultant makes, creates, conceives, or first reduces to practice during the term of this Agreement that (i) are developed using equipment, supplies, facilities or trade secrets of CareDx, or (ii) are developed within the course and scope of Consultant's performance of Services hereunder ("Work Product").

b. Consultant recognizes and understands that this Agreement does not require assignment of any inventions that are developed either (i) during the course of and within the scope of Consultant's non-CareDx consulting work or employment with a subsequent employer, or (ii) entirely on Consultant's own time, and with respect to both the foregoing clauses (i) and (ii), without using any of CareDx's equipment, supplies, facilities, trade secrets or Confidential Information. Consultant hereby represents to CareDx that he does not own, individually or jointly with any other person or persons, any original works of authorship, inventions, developments or trade secrets that belong to Consultant that are not assigned to CareDx ("Prior Inventions").

c. To the extent any future act is required, Consultant will reasonably assist CareDx, or its designee, at CareDx's expense, to secure CareDx's rights in the Work Product including copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries. Consultant will execute or cause to be executed any such instrument or papers during the term of this Agreement and after the term of this Agreement. If, at any time, a court or other tribunal rules that the assignment under this section is ineffective or unenforceable for any reason, Consultant agrees to perform all actions reasonably necessary to assign the Work Product to CareDx.

d. If Consultant incorporates any invention, improvement, development, concept, discovery, Prior Invention or other confidential information owned by Consultant or in which Consultant has an interest, into any Work Product, Consultant hereby grants and will grant, without any further action required by either Party, a nonexclusive, royalty-free, perpetual, irrevocable, with the right to grant and authorize sublicenses, worldwide license to use, make, have made, modify, use and sell such item as part of or in connection with such Work Product.

e. If CareDx is unable because of Consultant's unavailability, mental or physical incapacity, or any other reason, to secure Consultant's signature to pursue any application for any United States or foreign patents or mask work or copyright registrations covering the Work Product, then Consultant hereby irrevocably designates and appoints CareDx and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act for and on Consultant's behalf to

execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright and mask work registrations thereon with the same legal force and effect as if executed by Consultant.

4. No Conflicting Obligations

Consultant warrants that entering into this Agreement does not violate any outstanding agreement, obligation or employment arrangement of Consultant. Consultant further warrants that during the term of this Agreement, he will not enter into any such conflicting agreement, without the written agreement of CareDx. Further, Consultant will not perform any services for CareDx that would conflict with any agreement or obligation of Consultant, or which would cause or result in any other person or entity having any ownership interest in any CareDx intellectual property, including Work Product (as defined below).

5. Term and Termination

The term of this Agreement will begin on the Effective Date and will continue in full force and effect for a period of six (6) months from the Effective Date (the "Term"). This Agreement may be extended or renewed for additional agreed upon periods upon the written agreement of the Parties.

This Agreement will terminate automatically exclusively (i) upon Consultant's death or disability (if such disability substantially impairs his ability to provide consulting to the Company), (ii) upon Consultant's valid revocation of that certain Separation Agreement and Release of Claims by and between CareDx and Consultant, dated as of September 30, 2024 (the "Separation Agreement"), or (iii) Consultant's written request to terminate this Agreement (in each case, such a termination, an "Automatic Termination"). In the event of an Automatic Termination under (ii) and (iii), notwithstanding anything in this Agreement to the contrary, the Company will only be obligated to pay for consulting actually rendered on or before the date of such automatic termination. An Automatic Termination under (i) for Consultant's death or disability shall result in payment of the consideration provided for under this Agreement as if Consultant's Services continued for the full Term, notwithstanding its earlier termination.

Further, CareDx may terminate this Agreement for "Good Cause." For the purposes of this Agreement, "Good Cause" shall be defined as any act or omission by Consultant that, in CareDx's sole and reasonable discretion, is materially detrimental to the Company's business interests, reputation, or financial well-being, including but not limited to, acts of misconduct, material violation of CareDx policies, willful failure to fulfill the material terms of this Agreement, material breach of confidentiality, Consultant's material breach of his Separation Agreement, any criminal or fraudulent activities. CareDx's determination of "Good Cause" must be reasonable and in good faith and shall be final and binding, and Consultant shall have no right to contest or dispute such determination. Upon termination for "Good Cause," Consultant shall not be entitled to any further compensation or benefits under this Agreement.

6. Independent Contractor

Consultant is an independent contractor and nothing in this Agreement or the performance of the Parties under this Agreement will constitute (or be deemed to constitute in law or in equity) a partnership, agency, distributorship, fiduciary, employment, principal/agent relationship or joint venture relationship between the Parties. The Parties are not affiliated and neither has any right or authority to bind the other in any way. As such, except for the continued vesting of Company equity and the compensation specified herein, Consultant will not be entitled to any benefits accorded to CareDx's employees, including workers' compensation, disability insurance, vacation or sick pay. Consultant will have sole control of and will determine the manner, method, details and means of performing the obligations under this Agreement, provided, however, that CareDx retains the right to control the overall objectives regarding the Services.

7. DTSA Notification

Despite Consultant's confidentiality obligations set forth in this Agreement, Consultant understands that, pursuant to the Defend Trade Secrets Act of 2016, Consultant will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Consultant files a lawsuit for retaliation by CareDx for reporting a suspected violation of law, Consultant may disclose the trade secret to Consultant's attorney and may use the trade secret information in the court proceeding, if Consultant (a) files any document containing the trade secret under seal, and (b) does not disclose the trade secret, except pursuant to court order.

8. Restrictive Covenants

Consultant will not, during the Term and, to the fullest extent permissible under applicable law, for six (6) months thereafter, directly or indirectly solicit employees or consultants of CareDx to terminate their relationship with CareDx, except within the scope of Consultant's work for the Company as directed by CareDx. Despite the previous sentence, Consultant may hire CareDx employees or consultants that respond to a general solicitation for employment or other engagement. Consultant will not during the Term directly or indirectly solicit or induce vendors or customers of CareDx to terminate their relationship with CareDx, except within the scope of Consultant's work for the Company as directed by CareDx.

Consultant acknowledges that he is in possession of and will have continuing access to the Company's Confidential Information (as defined in Section 2 above) while Consultant provides services under this Agreement, and accordingly Consultant shall have a fiduciary duty and an undivided duty of loyalty to the Company such that Consultant shall not, absent permission in writing from Company's Chief Executive Officer, while providing services to the Company, (i) invest in, accept employment with,

or render managerial, advisory or consulting services to any third party directly or indirectly competitive with the Company's current business or currently contemplated potential future businesses known to Consultant; or (ii) perform services for himself or any third party, if doing so threatens to or actually requires him to reveal or utilize the Company's Confidential Information.

9. Indemnification

Consultant will indemnify, defend (with counsel reasonably acceptable to CareDx) and hold harmless CareDx and its directors, officers, employees, affiliates, shareholders, agents, representatives and successors in interest from and against any and all third party claims, demands, suits, actions, causes of actions, legal or administrative proceedings, losses, damages, liabilities, costs and expenses, including but not limited to, reasonable attorneys' fees, arising directly from: (a) Consultant's willful failure to comply with material applicable laws, or regulations concerning the performance of Services hereunder, including without limitation any actual violation of any third party's confidential information or other intellectual property rights in connection with the performance of the Services; (b) any intentional misconduct of Consultant concerning the performance of Services hereunder; or (c) the breach of any representation, warranty or covenant made by Consultant herein. For the avoidance of doubt, in no circumstances shall the total amount of indemnification provided exceed the Fee paid under Section 4 of Exhibit A to this Agreement.

10. Limitation of Liability

Except for a willful breach of this Agreement by either Party or a breach by Consultant of Sections 2, 3, or 8, in no event will either Party be liable to the other for any special, incidental, punitive or consequential damages of any kind in connection with this Agreement, even if such party has been informed in advance of the possibility of such damages. Moreover, in no event shall either Party's aggregate liability under this Agreement, including under Section 9 above, exceed the amount of the Fee paid to Consultant under this Agreement.

11. Compliance with Laws

Consultant warrants to CareDx that during the term of this Agreement, Consultant: (a) is not currently excluded, debarred, or otherwise ineligible to participate in any federal health care program as defined in 42 U.S.C. Section 1320a-7b(f) or any state healthcare program (collective, the "Healthcare Programs"); (b) has not been convicted of a criminal offense related to the provision of health care items or services and not yet been excluded, debarred or otherwise declared ineligible to participate in the Healthcare Programs; and (c) is not under investigation or otherwise aware of any circumstances which may result in Consultant being excluded from participation in Healthcare Programs. Consultant will immediately notify CareDx of any change in the status of the representations and warranties set forth in this section.

12. Miscellaneous

a. *Severability*. If any provision of this Agreement is determined to be illegal or unenforceable, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain enforceable and in full force and effect.

b. *Survival*. Sections 2 (Confidentiality), 3 (Intellectual Property), 8 (Restrictive Covenants), 9 (Indemnification), 10 (Limitation of Liability), and 12 (Miscellaneous) will survive such termination or expiration of this Agreement.

c. *Governing Law*. This Agreement will be governed by and construed under the laws of the State of California without regard to the conflict of law provisions thereof. Each Party consents to venue exclusively in San Mateo County, California, for any dispute or controversy arising out of or relating to any interpretation, construction, performance, or breach of this Agreement.

d. *Equitable Remedies*. In the event of a breach or a threatened breach of this Agreement by a Party, the other Party may seek judicial relief in any forum with jurisdiction over the Parties. In such case, each Party agrees that the other Party may suffer irreparable harm and will therefore be entitled to request injunctive relief to enforce this Agreement, without any requirement to obtain bonds or other security. Each Party also acknowledges that, in the event of breach of this Agreement by such Party, the other Party may pursue any and all available legal remedies, including monetary damages.

e. *No Assignment*. Consultant may not assign this Agreement to any third party.

f. *Waiver*. Waiver by either Party of a breach of any provision of this Agreement will not operate as a waiver of any other or subsequent breach.

g. *Entire Agreement.* This Agreement is the entire agreement of the Parties and supersedes any prior agreements, understandings, or arrangement between them with respect to the subject matter hereof, except to the extent such prior agreements are referenced herein.

h. *Modifications*. This Agreement may be modified only by a subsequent written agreement signed by both Parties.

i. *Execution*. This Agreement may be executed via facsimile, electronic signature via recognized provider (e.g., DocuSign or Adobe), or ".pdf" file, and in two counterparts, each of which will be deemed an original, but both of which together will constitute one and the same instrument and will have the same legal force and effect as the exchange of original signatures.

CareDx, Inc.

By: /s/ John W. Hanna
Name: John W. Hanna
Title: President and Chief Executive Officer
Date: September 30, 2024

Alexander Johnson

By: /s/ Alexander Johnson
Date: September 30, 2024

EXHIBIT A

1. **Contact**

Consultant's Contact information is as follows:

Name: Alexander Johnson

Address: [...***...]

Phone: [...***...]

Email: [...***...]

2. **Services**

During the Term, Consultant will act as a non-employee consultant and agrees to (i) render Consultant's assistance and participation, giving at all times the full benefit of his knowledge, expertise, technical skill, and ingenuity, in all matters involved in or relating to any matter in which Consultant was involved during his employment with the Company and its affiliates or of which he has knowledge and (ii) assist to transition the duties and responsibilities of his role during his employment with the Company, and to answer questions and provide guidance as requested by the Company in connection with such transition. During the Term, Consultant will report to the Company's Chief Executive Officer, but shall also be available to consult with other members of the Company's leadership team as reasonably requested from time to time. This Agreement is governed by the laws of the state of California. The Services may be performed, at Consultant's discretion, remotely via Zoom or similar teleconferencing technology.

3. **Time Commitment**

Consultant shall be available to provide services for a maximum of forty (40) hours in any given calendar month, and for an anticipated average of no more than twenty (20) hours per month beginning on the Effective Date.

4. **Compensation and Expense Reimbursement**

For Consultant's Services during the Term, CareDx shall remunerate Consultant with an aggregate fee of $107,901 (the "Fee"), which will be paid in a lump sum at the end of the Term.

Furthermore, during the Term, the outstanding equity awards held by Consultant set forth in **Schedule A** below will continue to vest pursuant to the terms of the applicable award agreements, which Consultant would have otherwise received had he remained employed during the Term. The vesting rate shall remain unaffected and shall not be reduced, deferred, or canceled, regardless of the number of hours required to work during the term of this Agreement. For the avoidance of doubt, Consultant understands and agrees that the continued vesting of any stock options that previously qualified as "incentive stock options" (ISOs) will no longer qualify as ISOs as a result of the continued vesting provided for above and, as a result, such stock options will hereinafter be treated as nonqualified stock options.

In the event of an Automatic Termination, the Company will only be obligated to pay such portion of the Fee that is pro-rated based on the number of days that lapsed during the Term prior to the date of such Automatic Termination, and Consultant's unvested stock units will automatically expire.

In the event of a termination for Good Cause, the Company will only be obligated to pay such portion of the Fee that is pro-rated based on the number of days that lapsed during the Term prior to the date of such termination, and Consultant's unvested stock units will automatically expire.

CareDx will reimburse Consultant all pre-authorized Reimbursable Expenses upon presentation of an invoice, including original receipts.

SCHEDULE A

A. Johnson Equity Awards
As of 9-13-2024

Option Grants

Grant Date	Exercise Price	Unvested Options
02/01/2023	$15.66	1,838
02/03/2021	$87.37	333
02/02/2022	$41.32	2,962
08/09/2022	$23.48	2,066
02/01/2023	$15.66	24,806
02/03/2021	$87.37	500
07/19/2021	$78.02	3,055
02/02/2022	$41.32	7,628
08/09/2022	$23.48	49,569

Restricted Stock Unit and Performance Restricted Stock Unit Awards

RSU or PRSU	Grant Date	Unvested Shares
RSU	02/03/2021	1,000
RSU	02/03/2021	1,000
RSU	07/19/2021	3,333
RSU	02/02/2022	9,950
RSU	08/09/2022	18,256
RSU	02/01/2023	63,825
RSU	02/01/2024	145,434
PRSU	02/02/2022	4,975
PRSU	02/01/2023	37,800

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John W. Hanna, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CareDx, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 4, 2024

By: /s/ John W. Hanna

John W. Hanna
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Abhishek Jain, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CareDx, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 4, 2024

By: /s/ Abhishek Jain
Abhishek Jain
Chief Financial Officer
(Principal Accounting and Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER 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 on Form 10-Q of CareDx, Inc. (the "Company") for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to their knowledge that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

By: /s/ John W. Hanna
John W. Hanna
President and Chief Executive Officer
(Principal Executive Officer)
Date: November 4, 2024

By: /s/ Abhishek Jain
Abhishek Jain
Chief Financial Officer
(Principal Accounting and Financial Officer)
Date: November 4, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report, is not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.