



somalogic

Somalogic Reports First Half of 2021 Financial Results

September 8, 2021

NEW YORK and BOLDER, Colo., Sept. 08, 2021 (GLOBE NEWSWIRE) – Somalogic, Inc., a leader in AI-data driven proteomics technology, today reported financial results for the six months ended June 30, 2021.

"Our strong first-half performance reflects our team's dedication and execution across key drivers of the business as well as the rapidly growing global interest in proteomics products and services," said Roy Smythe, M.D., Somalogic's Chief Executive Officer. "We announced multiple developments in the first half of 2021 to enhance our positioning for the future, including customizable and targeted content protein panels from our industry-leading 7,000-plex assay, a collaboration agreement with Novo Nordisk to support drug development, and formal partnerships with several world-class clinical care and medical research centers. We have doubled our sales force since the beginning of the year and are targeting a substantial ramp into the second half of 2021. The future is bright for Somalogic."

First Half 2021 Financial Results

Revenue for the first half of 2021 was \$36.6 million, an increase of \$25.2 million or 189% compared to the first half of 2020. The increase in revenue was primarily driven by a return to fee-for-service offerings and an expanding commercial development team.

Total cost of revenue for the first half of 2021 was \$14.2 million, an increase of \$5.8 million, or 91% compared to the first half of 2020. Gross margin for the first half of 2021 increased to 63% compared to 44% in the first half of 2020. The increase in total cost of revenue relative to the corresponding prior year period was primarily driven by an increased manufacturing cost due to higher volumes, net of production efficiencies. The increase in gross margin was primarily driven by an increase in royalty revenue and higher prices per sample as a result of the reintroduction of the fee-for-service model in 2020.

Operating expenses were \$58.6 million for the first half of 2021, compared to \$42.2 million in the corresponding prior year period, which represents an increase of 39%. The increase was driven by ongoing sales force expansion and marketing efforts, expanding research and development efforts, investments in processes, tools and infrastructure to support the growth of the business, attracting, hiring and retaining qualified personnel, and protecting and defending intellectual property.

Net loss was \$22.8 million in the first half of 2021, or a loss of \$0.31 per share, as compared to a loss of \$36.6 million, or \$0.50 per share, in the corresponding period of the prior year.

Cash, cash equivalents, and short-term investments were \$158.2 million as of June 30, 2021.

Somalogic, Inc. Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited, dollars in thousands, except for share and per share amounts)

	Six Months Ended June 30,	
	2021	2020
Revenue		
Assay services revenue	\$ 30,850	\$ 10,788
Product revenue	665	689
Collaboration revenue	1,525	957
Other revenue	5,651	992
Total revenue	38,640	13,433
Operating expenses:		
Cost of assay services revenue	13,811	7,133
Cost of product revenue	419	204
Research and development	16,708	16,296
Selling, general and administrative	27,642	18,418
Total operating expenses	58,580	42,051
Loss from operations	(19,940)	(28,748)
Other (expense) income:		
Interest income and other, net	71	125
Interest expense	(1,322)	(7,995)
Loss on extinguishment of debt, net	(1,532)	(1,532)
Total other expense	(2,881)	(7,870)
Net loss	(22,821)	(36,618)
Other comprehensive income (loss):		
Net unrealized gain (loss) on available-for-sale securities	8	(20)
Foreign currency translation gain (loss)	1	16
Total other comprehensive income (loss)	9	(4)
Comprehensive loss	(22,812)	(36,642)
Net loss per share, basic and diluted		
Weighted-average shares used to compute net loss per share, basic and diluted	73,874,501	72,855,748

Somalogic, Inc. Condensed Consolidated Balance Sheets (unaudited, dollars in thousands, except for share and per share amounts)

	As of June 30,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 47,138	\$ 164,944
Investments	111,041	30,964
Accounts receivable, net	13,566	17,449
Inventory	7,660	7,020
Deferred costs of services	1,721	1,450
Prepaid expenses and other current assets	1	1,158
Total current assets	172,227	231,985
Non-current inventory	4,888	6,024
Property and equipment, net	4,400	5,953
Other long-term assets	6,279	378
Total assets	\$ 188,423	\$ 245,220
Liabilities, redeemable convertible preferred stock and stockholders' deficit		
Current liabilities:		
Accounts payable	8,831	7,084
Accrued liabilities	5,004	6,370
Deferred revenue	4,789	1,782
Deferred rent	54	238
Current portion of convertible debt	1,937	-
Current portion of long-term debt	-	2,423
Total current liabilities	21,155	17,797
Convertible debt	-	1,508
Long-term debt	-	3,228
Deferred revenue, net of current portion	2,890	3,415
Other long-term liabilities	459	869
Total liabilities	24,504	26,712
Commitments and contingencies (Note 8)		
Redeemable convertible preferred stock, \$0.01 per value; 50,000,000 authorized at June 30, 2021 and December 31, 2020; 51,485,973 shares issued and outstanding at June 30, 2021 and December 31, 2020 (aggregate liquidation preference of \$213,475 as of June 30, 2021 and December 31, 2020)	202,116	202,116
Stockholders' deficit:		
Class A common stock, \$0.01 per value; 218,000,000 shares authorized at June 30, 2021 and December 31, 2020; no shares issued and outstanding at June 30, 2021 and December 31, 2020	-	-
Class B common stock, \$0.01 per value; 218,000,000 shares authorized at June 30, 2021 and December 31, 2020; 74,817,828 and 73,481,228 shares issued at June 30, 2021 and December 31, 2020, respectively; 74,896,484 and 73,368,008 shares outstanding at June 30, 2021 and December 31, 2020, respectively	748	735
Treasury stock, at cost; 131,344 and 113,220 shares at June 30, 2021 and December 31, 2020, respectively	(498)	(352)
Additional paid-in capital	405,583	384,798
Accumulated other comprehensive income (loss)	7	(2)
Accumulated deficit	(254,187)	(211,361)
Total stockholders' deficit	(25,443)	(36,282)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	\$ 188,423	\$ 245,220

About Somalogic

Somalogic seeks to deliver precise, meaningful, and actionable health-management information that empowers individuals worldwide to continuously optimize their personal health and wellness throughout their lives. This essential information to be provided through a global network of partners and users, is derived from Somalogic's personalized measurement of important changes in an individual's proteins over time. For more information, visit www.somalogic.com and follow [@Somalogic](https://twitter.com/Somalogic).

Somalogic™ tests are developed and their performance characteristics determined by Somalogic, Inc. Somalogic is a Clinical Laboratory Improvement Amendments (CLIA) certified, and College of American Pathologists (CAP) accredited laboratory.

The Somalogic Platform for Research Use Only (RUO) and has not been cleared or approved by the US Food and Drug Administration for diagnostic or patient management purposes. Somalogic's proprietary SomoScan Platform was designed to be a universal platform that can be applied across research and discovery, translational research and biopharmaceutical development, and clinical applications. Somalogic can run approximately 7,000 protein measurements on a single 55 microliter plasma or serum sample. The Company has run more than 450,000 samples to date.

Forward Looking Statements Disclaimer

This press release contains certain forward-looking statements within the meaning of the federal securities laws. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including factors which are beyond Somalogic's control. You should carefully consider the risks and uncertainties described in the "Risk Factors" section of the company's registration statement. These things clearly and address important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Somalogic assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Somalogic does not give any assurance that the company will achieve its expectations.

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