UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **September 1, 2021**

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

Delaware	**001-40090**	**52-4298912**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2945 Wilderness Place, Boulder, Colorado	**80301**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(303) 625-9000**

CM Life Sciences II, Inc.
c/o Corvex Management
667 Madison Avenue
New York, New York 10065
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Class A common stock, $0.0001 par value per share	SLGC	The Nasdaq Stock Market LLC
Warrants, each exercisable for one share of Class A common stock at an exercise price of $11.50 per share	SLGCW	The Nasdaq Stock Market LLC

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

Emerging growth company ☒

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

INTRODUCTORY NOTE

Unless otherwise stated or unless the context otherwise requires, the terms "*we*," "us," "*our*," "*New SomaLogic*," "*SomaLogic*," and the "*Company*" refer to SomaLogic, Inc., a Delaware corporation (f/k/a CM Life Sciences II, Inc., a Delaware corporation), after giving effect to the Business Combination (as defined below), and as renamed SomaLogic, Inc., and where appropriate, our wholly-owned subsidiaries (including Old SomaLogic, as defined below) following the Closing Date (as defined below). Furthermore, unless otherwise stated or unless the context otherwise requires, references to "*CMLS II*" refer to CM Life Sciences II, Inc., a Delaware corporation, prior to the Closing Date, and references to "*Old SomaLogic*" refer to SomaLogic, Inc., a Delaware corporation, prior to the Closing Date. All references herein to the "*Board*" refer to the board of directors of the Company.

Terms used in this Current Report on Form 8-K (this "*Report*") but not defined herein, or for which definitions are not otherwise incorporated by reference herein, shall have the meaning given to such terms in the Proxy Statement/Prospectus (as defined below) in the section entitled "*Frequently Used Terms*" beginning on page 6 thereof, and such definitions are incorporated herein by reference.

This Report incorporates by reference certain information from reports and other documents that were previously filed with the Securities and Exchange Commission (the "*SEC*"), including certain information from the Proxy Statement/Prospectus. To the extent there is a conflict between the information contained in this Report and the information contained in such prior reports and documents and incorporated by reference herein, the information in this Report controls.

Item 1.01. Entry into Material Definitive Agreement.

As disclosed under the sections entitled "*Proposal No. 1—The Business Combination Proposal*" beginning on page 127 of CMLS II's proxy statement/prospectus filed with the SEC on August 12, 2021 (the "*Proxy Statement/Prospectus*"), CMLS II consummated its previously announced business combination (the "*Business Combination*") on September 1, 2021 (the "*Closing Date*"), pursuant to the terms of that certain Agreement and Plan of Merger (as amended, the "*Merger Agreement*") with SomaLogic, Inc., a Delaware corporation ("*Old SomaLogic*"), and S-Craft Merger Sub, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of CMLS II ("*Merger Sub*").

Pursuant to the terms of the Merger Agreement (and upon all other conditions pursuant to the Merger Agreement being satisfied or waived), on the Closing Date, (i) Old SomaLogic changed its name to "SomaLogic Operating Co., Inc.", (ii) CMLS II changed its name to SomaLogic, Inc. ("*New SomaLogic*," "*SomaLogic*," or the "*Company*"), and (iii) Merger Sub merged with and into Old SomaLogic (the "*Merger*"), with Old SomaLogic as the surviving company in the Merger and, after giving effect to such Merger, Old SomaLogic becoming a wholly-owned subsidiary of New SomaLogic.

On August 31, 2021, CMLS II held a special meeting of stockholders (the "*Special Meeting*"), at which the CMLS II stockholders considered and adopted, among other matters, a proposal to approve the Business Combination, including (a) adopting the Merger Agreement and (b) approving the transactions contemplated by the Merger Agreement, including the Merger and the issuance of shares of Class A common stock, par value $0.0001 per share, of the Company (prior to the Closing Date, the "*Class A Common Stock*" and, following the Closing Date, the "*Common Stock*") to the former Old SomaLogic stockholders as Merger Consideration (as defined in the Proxy Statement/Prospectus).

Item 2.01 of this Report discusses the consummation of the Business Combination and the entry into agreements relating thereto and is incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As described above, on August 31, 2021, CMLS II held the Special Meeting, at which the CMLS II stockholders considered and adopted, among other matters, a proposal to approve the Merger Agreement and the Business Combination. On September 1, 2021 the parties consummated the Business Combination. In connection with the Business Combination, the Company changed its name from CM Life Sciences II, Inc. to "SomaLogic, Inc."

Holders of 809,850 shares of CMLS II's Class A Common Stock sold in its initial public offering (the "*Public Shares*") properly exercised their right to have such shares redeemed for a full pro rata portion of the trust account holding the proceeds from CMLS II's initial public offering (the "*IPO*"), calculated as of two business days prior to the consummation of the Business Combination, which was approximately $10.00 per share, or $8,098,500 in the aggregate.

As a result of the Business Combination, each share of Class B common stock of Old SomaLogic and each share of preferred stock of Old SomaLogic was cancelled and converted into a portion of the Merger Consideration on the terms set forth in the Merger Agreement. Pursuant to the terms of the Merger Agreement, the aggregate merger consideration paid in connection with the Business Combination (excluding any potential Earn-Out Shares, as defined below) was $1,250 million, which consists of cash payments (at the election of Old SomaLogic stockholders) of $50.0 million and equity consideration in the form of (i) the issuance of shares of Common Stock of the Company and (ii) rollover of Old SomaLogic's outstanding options. The number of shares of Common Stock issued to Old SomaLogic stockholders was based on a deemed value of $10.00 per share after giving effect to an exchange ratio of 0.8381. Accordingly, (i) $50 million cash was paid to SomaLogic stockholders (thereby reducing the aggregate number of shares issuable under the Merger Agreement at Closing from 125,000,000 to 120,000,000 shares of Common Stock), (ii) 110,973,213 shares of Common Stock were issued to Old SomaLogic stockholders on the Closing Date and (iii) the remaining balance of the 120,000,000 shares of Common Stock to be issued under the Merger Agreement may be issued in the future upon the exercise of options of the Company that were converted from Old SomaLogic options.

Stockholders and service providers of the Company ("*Earn-Out Service Providers*") are also entitled to receive a number of shares (the "*Earn-Out Shares*") of up to 3,500,125 and 1,499,875 additional shares of Common Stock, respectively, if at any time between the 13-month anniversary of the Closing Date and the 24-month anniversary of the Closing Date, the Common Stock share price is greater than or equal to $20.00 for a period of at least 20 out of 30 consecutive trading days (the "*Triggering Event*"). Any Earn-Out Shares issuable to an Earn-Out Service Provider shall be issued only if such individual continues to provide services (whether as an employee, director or individual independent contractor) through the date of occurrence of the corresponding Triggering Event (or a change in control acceleration event, if applicable) that causes such Earn-Out Shares to become issuable. Any Earn-Out Shares that are forfeited pursuant to the preceding sentence shall be reallocated to the Company stockholders in accordance with their respective pro rata Earn-Out Shares.

Upon consummation of the Business Combination, each share of Class B common stock, par value of $0.001 per share, of CMLS II (the "*Class B Common Stock*") automatically converted into one share of Common Stock of the Company.

At the Closing Date, the Company issued 36,500,000 shares of Common Stock at a purchase price of $10.00 per share for an aggregate purchase price of $365 million (the "PIPE Investment") pursuant to subscription agreements dated March 28, 2021 (collectively, the "Subscription Agreements"). Such amounts reflect a reduction of 1 million shares from the previously announced private placement.

After giving effect to the Business Combination, the redemption of Public Shares as described above, the conversion of the Class B Common Stock into Common Stock as described above, and the consummation of the PIPE Investment, there are currently 181,163,363 shares of the Company's Common Stock issued and outstanding.

FORM 10 INFORMATION

Item 2.01(f) of Form 8-K states that if the registrant was a shell company, as the Company was immediately before the Business Combination, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10. Accordingly, the Company is providing below the information that would be included in a Form 10 if it were to file a Form 10. Please note that the information provided below relates to the Company after the consummation of the Business Combination, unless otherwise specifically indicated or the context otherwise requires.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K and the information incorporated herein by reference contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including with respect to the effects of the Business Combination. These statements are based on the current expectations and beliefs of management of the Company and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements include statements about future financial and operating results of the Company; statements of the plans, strategies and objectives of management for future operations of the Company; statements regarding future economic conditions or performance; and other statements regarding the future business of the Company. Forward-looking statements may contain words such as "will be," "will," "expect," "anticipate," "continue," "project," "believe," "plan," "could," "estimate," "forecast," "guidance," "intend," "may," "plan," "possible," "potential," "predict," "pursue," "should," "target" or similar expressions, and include the assumptions that underlie such statements. These statements include, but are not limited to the following:

- the occurrence of any event, change or other circumstances, including the outcome of any legal proceedings that may be instituted against the Company;
- the ability to maintain the listing of the Common Stock on the Nasdaq, as applicable;
- the risk of disruption to the Company's current plans and operations;
- the ability to recognize the anticipated benefits of the Company's business, which may be affected by, among other things, competition and the ability to grow and manage growth profitably and retain its key employees;
- costs related to the Company's business;
- changes in applicable laws or regulations;
- the ability of the Company to raise financing in the future;
- the success, cost and timing of the Company's product development activities;
- the Company's ability to obtain and maintain regulatory approval for its products, and any related restrictions and limitations of any approved product;
- the Company's ability to maintain existing license agreements and manufacturing arrangements;
- the Company's ability to compete with other companies currently marketing or engaged in the development of products and services that serve customers engaged in proteomic analysis, many of which have greater financial and marketing resources than the Company;
- the size and growth potential of the markets for the Company's products, and the ability of each to serve those markets, either alone or in partnership with others;
- the Company's estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- the Company's financial performance;
- the impact of the COVID-19 pandemic on the Company's; and
- other factors disclosed under the section titled "*Risk Factors*" in the Proxy Statement/Prospectus beginning on page 47 thereof, which is incorporated herein by reference.

The forward-looking statements contained in this Report are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting the Company will be those that the Company has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described or incorporated by reference under the heading "*Risk Factors*" below. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. The Company will not and does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Business

The business of the Company is described in the Proxy Statement/Prospectus in the section entitled "*SomaLogic's Business*" beginning on page 205 thereof, and that information is incorporated herein by reference.

Risk Factors

The risks associated with the Company are described in the Proxy Statement/Prospectus in the section entitled "*Risk Factors*" beginning on page 47 thereof, and that information is incorporated herein by reference.

Summary Risk Factors

- SomaLogic is an early-stage life sciences technology company that has incurred losses since inception, and SomaLogic expects to make significant investments in its continued research and development of new services and products, which may not be successful.

- Seasonality may cause fluctuations in SomaLogic's revenue and results of operations. SomaLogic's operating results have in the past fluctuated significantly and may continue to fluctuate significantly in the future, which makes its future results difficult to predict and could cause its operating results to fall below expectations or any guidance we may provide.

- SomaLogic's current and future services and products may never achieve significant commercial market acceptance.

- SomaLogic's business will depend significantly on research and development spending by pharmaceuticals, biotechnology, and academic, governmental and other research institutions, and any reduction in spending could limit demand for SomaLogic's services and adversely affect the business, results of operations, financial condition and prospects.

- The life sciences industry is subject to rapid change, which could make SomaLogic's proteomics platform and related services and products that we develop obsolete. SomaLogic's long term results depend upon its ability to improve existing services and products, and our ability to introduce and market new services and products successfully.

- The majority of SomaLogic's operations and laboratory processes are currently conducted at a single location in Boulder, Colorado and any disruption at SomaLogic's facility could negatively impact its operations and increase expenses.

- Unfavorable U.S. or global economic conditions as a result of the COVID-19 pandemic, or otherwise, could adversely affect SomaLogic's ability to raise capital, results of operations and financial conditions.

- Cybersecurity risks that could result in damage to SomaLogic's data integrity and subject it to fines or lawsuits under data privacy laws.

- SomaLogic depends on its key personnel and other highly qualified personnel, and if it's unable to recruit, train and retain its personnel, SomaLogic may not achieve its goals.

- If SomaLogic fails to protect its intellectual property effectively, its business would be harmed. SomaLogic's inability to effectively protect its proprietary technologies, including the confidentiality of trade secrets, could harm its competitive position.

- SomaLogic is in a heavily regulated industry, and changes in regulations or violations of regulations may, directly or indirectly, reduce its revenue, adversely affect SomaLogic's results of operations and financial condition and harm its business.

- SomaLogic's products could become subject to government regulation as medical devices by the FDA and other regulatory agencies, which could adversely impact its ability to market and sell its products and harm its business.

- SomaLogic could be adversely affected by alleged violations of the Federal Trade Commission Act or other truth-in-advertising and consumer protection laws.

- The requirements of being a public company may strain SomaLogic's resources, result in litigation and divert management's attention.

Financial Information

Reference is made to the disclosure set forth in Item 9.01 of this Current Report on Form 8-K concerning the consolidated financial information of SomaLogic and the unaudited pro forma condensed combined financial information of the Company.

The selected historical consolidated financial information of SomaLogic as of and for the three months ended March 31, 2021 and 2020 and as of and for the years ended December 31, 2020 and 2019 is described in the Proxy Statement/Prospectus in the section entitled "*Selected Historical Financial Information of SomaLogic*" beginning on page 41 thereof and that information is incorporated herein by reference.

The selected historical financial information of CMLS II as of and for the three months ended March 31, 2021 and as of December 31, 2020 is described in the Proxy Statement/Prospectus in the section entitled "*Selected Historical Financial Information of the Company*" beginning on pages 40 thereof and that information is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Reference is made to our Management's Discussion and Analysis and Financial Condition and Results of Operations as of and for the six months ended June 30, 2021 and 2020, included in Exhibit 99.2 to this Current Report on Form 8-K, which is incorporated herein by reference.

Management's discussion and analysis of the financial condition and results of operations of SomaLogic as of and for the three months ended March 31, 2021 and as of and for the years ended December 31, 2020 and 2019 is described in the Proxy Statement/Prospectus in the section entitled "*SomaLogic's Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 242 thereof and that information is incorporated herein by reference.

Management's discussion and analysis of the financial condition and results of operations of CMLS II as of and for the three months ended March 31, 2021 is described in the Proxy Statement/Prospectus in the section entitled "*The Company's Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 202 thereof and that information is incorporated herein by reference.

Quantitative and Qualitative Disclosures about Market Risk

Reference is made to our Management's Discussion and Analysis and Financial Condition and Results of Operations as of and for the six months ended June 30, 2021 and 2020, included in Exhibit 99.2 to this Current Report on Form 8-K, which is incorporated herein by reference. Reference is further made to the disclosure contained in the Proxy Statement/Prospectus in the sections entitled "*SomaLogic's Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures About Market Risk*" beginning on page 242 thereof, and "*The Company's Management's Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures About Market Risk*" beginning on page 202 thereof, which are incorporated herein by reference.

Properties

The properties of the Company are described in the Proxy Statement/Prospectus in the section entitled "*SomaLogic's Business – Facilities*" beginning on page 229 thereof, and that information is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to us regarding the beneficial ownership of our Common Stock immediately following consummation of the Business Combination by:

- each person known to be the beneficial owner of more than 5% of the outstanding Common Stock of the Company;
- each of the Company's executive officers and directors; and
- all of the Company's executive officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security. Under those rules, beneficial ownership includes securities that the individual or entity has the right to acquire, such as through the exercise of warrants or stock options or the vesting of restricted stock units, within 60 days of the record date. Shares subject to warrants or options that are currently exercisable or exercisable within 60 days of the record date or subject to restricted stock units that vest within 60 days of the record date are considered outstanding and beneficially owned by the person holding such warrants, options or restricted stock units for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Except as noted by footnote, and subject to community property laws where applicable, based on the information provided to the Company, the persons and entities named in the table below have sole voting and investment power with respect to all shares shown as beneficially owned by them. Unless otherwise indicated, the business address of each beneficial owner listed in the table below is c/o SomaLogic, Inc., 2945 Wilderness Place, Boulder, Colorado 80301.

The table below does not include any Earn-Out Shares (as defined in the Proxy Statement/Prospectus) that may be issued in the future.

The beneficial ownership of our Common Stock is based on 181,163,363 shares of Common Stock issued and outstanding immediately following consummation of the Business Combination, including the redemption of Public Shares as described above, the conversion of the Class B Common Stock as described above and the consummation of the PIPE Investment.

Name and Address of Beneficial Owner	Number of shares of Common Stock	% of Common Stock	% of Total Voting Power
Directors & executive officers[1]			
Roy Smythe[2]	1,358,627	*	*
Melody Harris[3]	601,264	*	*
Shaun Blakeman	-	*	*
Charles M. Lillis[4]	403,684	*	*
Amy Graves[5]	22,702	*	*
Ruben Gutierrez	-	*	*
Eli Casdin[6][7][8]	23,535,751	12.7%	12.7%
Kevin Conroy[9]	191,666	*	*
Troy Cox[10]	241,666	*	*
Stephen Quake[11]	591,666	*	*
Anne Margulies[12]	48,192	*	*
Richard Post[12]	48,192	*	*
Ted Meisel	-	*	*
Robert Barchi	-	*	*
All directors and executive officers as a group (14 individuals)	27,043,410	14.4%	14.4%
5% beneficial owners			
Lawrence Gold and affiliates[13]	9,133,066	5.0%	5.0%
Novartis[14]	10,367,340	5.7%	5.7%
Casdin Partners Master Fund, L.P.[7][8]	12,389,082	6.8%	6.8%

* Indicates beneficial ownership of less than 1%.

(1) The business address of each of these stockholders is c/o SomaLogic, 2945 Wilderness Place, Boulder, Colorado 80301.
(2) Consists of options to purchase 1,358,627 shares of Common Stock that are exercisable within 60 days of September 1, 2021.
(3) Consists of options to purchase 601,264 shares of Common Stock that are exercisable within 60 days of September 1, 2021.
(4) Consists of (i) 276,573 shares of Common Stock held of record by Charles M. Lillis, (ii) 100,572 shares of Common Stock held of record by The Lillis Foundation, (iii) 12,571 shares of Common Stock held of record by CAG LLC, and (iv) options to purchase 13,968 shares of Common Stock that are exercisable within 60 days of September 1, 2021. Mr. Lillis may be deemed to be a beneficial owner of the shares held directly by CAG LLC and The Lillis Foundation as a result of Mr. Lillis' voting and dispositive power with respect to the shares.
(5) Consists of options to purchase 22,702 shares of Common Stock that are exercisable within 60 days of September 1, 2021.
(6) CMLS Holdings II LLC is the record holder of (i) 6,800,000 shares of Common Stock and (ii) warrants to purchase 4,346,669 shares of Common Stock that are exercisable within 60 days of September 1, 2021. Eli Casdin is a member of the board of managers of CMLS Holdings II LLC and shares voting and investment discretion with respect to the common stock held of record by CMLS Holdings II LLC.

(7) Consists of 9,889,082 shares of Common Stock held of record by Casdin Partners Master Fund, L.P. The shares held by Casdin Partners Master Fund, L.P. may be deemed to be indirectly beneficially owned by (i) Casdin Capital, LLC, the investment adviser to Casdin Partners Master Fund, L.P., (ii) Casdin Partners GP, LLC, the general partner of Casdin Partners Master Fund L.P., and (iii) Eli Casdin, the managing member of Casdin Capital, LLC and Casdin Partners GP, LLC. The address for the Casdin entities noted herein is 1350 Avenue of the Americas, Suite 2600, New York, New York 10019.

(8) Includes 2,500,000 shares of Common Stock issued in the PIPE Investment to Casdin Master Fund, L.P. The shares may be deemed to be indirectly beneficially owned by (i) Casdin Capital, LLC, the investment adviser to Casdin Partners Master Fund, L.P., (ii) Casdin Partners GP, LLC, the general partner of Casdin Partners Master Fund L.P., and (iii) Eli Casdin, the managing member of Casdin Capital, LLC and Casdin Partners GP, LLC.

(9) Consists of (i) 25,000 shares of Common Stock held of record by Kevin Conroy and (ii) warrants to purchase 166,666 shares of Common Stock held of record by the Conroy Family Foundation, Inc. that are exercisable within 60 days of September 1, 2021. Conroy Family Foundation, Inc., a 501(c) charitable organization, is the record holder of the shares reported herein. Mr. Conroy is a board member and officer of Conroy Family Foundation, Inc., and has shared voting and investment discretion with respect to the common stock held of record by Conroy Family Foundation, Inc.

(10) Consists of (i) 25,000 shares of Common Stock held of record by Troy Cox, (ii) 50,000 shares of Common Stock issued in the PIPE Investment to Mr. Cox, and (iii) warrants to purchase 166,666 shares of Common Stock held of record by Mr. Cox that are exercisable within 60 days of September 1, 2021.

(11) Consists of (i) 25,000 shares of Common Stock held of record by Stephen Quake, (ii) 150,000 shares of Common Stock held of record by Quake 2018 Charitable Remainder Unitrust, (iii) 150,000 shares of Common Stock held of record by The Eleftheria Foundation, (iv) 100,000 shares of Common Stock held of record by DeltaXDeltaP Hbar Trust, and (v) warrants to purchase 166,666 shares of Common Stock held of record by Mr. Quake that are exercisable within 60 days of September 1, 2021. Mr. Quake may be deemed to be a beneficial owner of the shares held directly by Quake 2018 Charitable Remainder Unitrust, The Eleftheria Foundation and DeltaXDeltaP Hbar Trust as a result of Mr. Quake's voting and dispositive power with respect to the shares.

(12) Consists of options to purchase 48,192 shares of Common Stock that are exercisable within 60 days of September 1, 2021.

(13) Consists of (i) 437,822 shares of Common Stock held of record jointly by Lawrence Gold and Hope Morrissett who have shared voting and dispositive power with respect to the shares, (ii) 4,982,168 shares of Common Stock held of record by MorrGold Holdings, LLC, (iii) 3,713,076 shares of Common Stock held of record by MorrGold II, LLC. Mr. Gold is the managing director or MorrGold Holdings, LLC and MorrGold II, LLC. Mr. Gold's business address is 1033 5th Street, Boulder, CO 80302.

(14) Consists of (i) 1,676,200 shares of Common Stock held of record by Novartis Institutes for BioMedical Research, Inc. ("*Novartis Research*") and (ii) 8,591,140 shares of Common Stock held of record by Novartis Pharma AG ("*Novartis AG*"). Also includes 100,000 shares of Common Stock issued to Novartis AG in the PIPE Investment. The business address for Novartis Research is 700 Main Street 421Q, Cambridge, MA 02139. The business address for Novartis AG is Lichstrasse 35, Basel, Switzerland 4056.

Directors and Executive Officers

Other than as disclosed below in Item 5.02 below, the Company's directors and executive officers are described in the Proxy Statement/Prospectus in the section entitled "*Management After the Business Combination*" beginning on page 265 thereof and to Item 5.02 of this Current Report on Form 8-K, which are incorporated herein by reference.

Committees of the Board of Directors

The standing committees of the Board currently include an audit committee, a compensation committee, and a nominating and corporate governance committee. Each of the committees will report to the Board as they deem appropriate and as the Board may request. The initial composition, duties and responsibilities of these committees are set forth below.

Except as otherwise stated herein, the committees of the Board are further described in the Proxy Statement/Prospectus in the section entitled "Management After the Business Combination—Board Committees" beginning on page 269 thereof and that information is incorporated herein by reference.

Audit Committee

The purpose of the audit committee will be to prepare the audit committee report required by the SEC to be included in any proxy statement or prospectus required to be filed by the Company under the rules and regulations of the SEC and to assist the Board in overseeing and monitoring (1) the quality and integrity of the financial statements, (2) compliance with legal and regulatory requirements, (3) the Company's independent registered public accounting firm's qualifications and independence, (4) the performance of the Company's internal audit function, if any, and (5) the performance of the Company's independent registered public accounting firm.

The audit committee consists of Richard Post, who will be serving as the chairperson, Troy Cox, Eli Casdin Robert Barchi, and Anne Margulies. The Board has determined that each member of the audit committee will qualify as an independent director under the Nasdaq Listing Rules and the independence requirements of Rule 10A-3 under the Exchange Act. We also believe that each member of the audit committee will qualify as an "audit committee financial expert," as that term is defined in Item 401(h) of Regulation S-K. The Board has adopted a written charter for the audit committee, which is available free of charge on our corporate website (*www.somalogic.com*). The information on our website is not part of this Current Report on Form 8-K.

Compensation Committee

The purpose of the compensation committee is to assist the Board in discharging its responsibilities relating to (1) setting the Company's compensation program and compensation of its executive officers and directors, (2) monitoring the Company's incentive and equity-based compensation plans, and (3) preparing the compensation committee report required to be included in any proxy statement or prospectus required to be filed by the Company under the rules and regulations of the SEC.

The compensation committee consists of Anne Margulies, who will be serving as the chairperson, Chuck Lillis, Richard Post and Troy Cox.

The Board has adopted a written charter for the compensation committee, which is available free of charge on our corporate website (*www.somalogic.com*). The information on our website is not part of this Current Report on Form 8-K.

Nominating and Corporate Governance Committee

The purpose of the nominating and corporate governance committee is to (1) oversee all aspects of the Company's corporate governance functions on behalf of the board of directors; (2) make recommendations to the board of directors regarding corporate governance issues; (3) identify, review and evaluate candidates to serve as directors of the Company and review and evaluate incumbent directors; (4) serve as a focal point for communication between such candidates, non-committee directors and the Company management; (5) recommend to the board of directors for selection candidates to the board of directors to serve as nominees for director for the annual meeting of shareholders; (6) make other recommendations to the board of directors regarding affairs relating to the directors of the Company including director compensation; and (7) perform any other duties as directed by the board of directors.

The nominating and corporate governance committee consists of Eli Casdin, who will be serving as the chairperson, Kevin Conroy, Stephen Quake and Anne Margulies.

The Board has adopted a written charter for the nominating and corporate governance committee, which is available free of charge on our corporate website (*www.somalogic.com*). The information on our website is not part of this Current Report on Form 8-K.

Compensation Committee Interlocks and Insider Participation

The information described in the Proxy Statement/Prospectus in the section entitled "*Compensation Committee Interlocks and Insider Participation*" beginning on page 195 thereof is also incorporated herein by reference.

Compensation of Directors and Executive Officers

The compensation of the Company's named executive officers is described in the Proxy Statement/Prospectus in the section entitled "*Compensation of Directors and Executive Officers*" beginning on page 271 thereof, and that information is incorporated herein by reference.

Certain Relationships and Related Person Transactions, and Director Independence

Certain relationships and related person transactions are described in the Proxy Statement/Prospectus in the section entitled "*Certain Relationships and Related Party Transactions*" beginning on page 292 thereof, and that information is incorporated herein by reference.

A description of the Company's independent directors is described in the Proxy Statement/Prospectus in the section entitled "*Management—Director Independence*" beginning on page 192 thereof, and that information is incorporated herein by reference.

Legal Proceedings

Reference is made to the disclosure regarding legal proceedings in the section of the Proxy Statement/Prospectus titled "*SomaLogic's Business—Legal Proceedings*" beginning on page 241, which is incorporated herein by reference.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information and Dividends

The Common Stock and the warrants sold in the IPO commenced trading on the Nasdaq Capital Market of The Nasdaq Stock Market LLC ("*Nasdaq*") under the symbols "SLGC" and "SLGCW," respectively, on September 2, 2021, subject to ongoing review of the Company's satisfaction of all listing criteria following the Business Combination, in lieu of the Class A Common Stock and warrants of CMLS II. CMLS II's units ceased trading separately on the Nasdaq on September 2, 2021.

The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future. The payment of any cash dividends will be within the discretion of the Board. We currently expect that the Company will retain future earnings to finance operations and grow its business, and we do not expect the Company to declare or pay cash dividends for the foreseeable future.

Holders of Record

Effective upon the Closing Date, including the redemption of Public Shares as described above, the conversion of the Class B Common Stock as described above, and the consummation of the PIPE Investment, the Company had 181,163,363 shares of Common Stock outstanding held of record by approximately 534 holders and no shares of preferred stock outstanding. Such amounts do not include Depository Trust Company participants or beneficial owners holding shares through nominee names.

Securities Authorized for Issuance Under Equity Compensation Plans

Reference is made to the disclosure described in the Proxy Statement/Prospectus in the section entitled "*Proposal No. 3—The Incentive Plan Proposal*" beginning on page 176 thereof, and "*Proposal No. 4—The ESPP Proposal*" beginning on page 182 thereof, which are incorporated herein by reference. The SomaLogic, Inc. 2021 Omnibus Incentive Plan and SomaLogic, Inc. 2021 Employee Stock Purchase Plan and the material terms thereunder, including the authorization of the initial share reserve thereunder, were approved by CMLS II's stockholders at the Special Meeting.

Recent Sales of Unregistered Securities

The information set forth under Item 3.02 of this Current Report on Form 8-K relating to the issuance of Common Stock in connection with the PIPE Investment is incorporated herein by reference.

Description of Registrant's Securities to be Registered

The Company's securities are described in the Proxy Statement/Prospectus in the section entitled "*Description of Securities*" beginning on page 273 thereof and that information is incorporated herein by reference. As described below, the Company's Second Amended and Restated Certificate of Incorporation was approved by CMLS II's stockholders at the Special Meeting and became effective as of the Closing Date.

Indemnification of Directors and Officers

The indemnification of our directors and officers is described in the Proxy Statement/Prospectus in the section entitled "*Certain Relationships and Related Party Transactions—Indemnification Agreements*" beginning on page 298 thereof and that information is incorporated herein by reference.

Financial Statements and Supplementary Data

Reference is made to the disclosure set forth under Item 9.01 of this Report relating to the financial information of the Company, and to Exhibit 99.3 to this Report, all of which are incorporated herein by reference.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Reference is made to the disclosure set forth under Item 4.01 of this Report relating to the change in the Company's certifying accountant, which is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

Effective upon the Closing Date, the Company consummated the PIPE Investment in the aggregate amount of $365,000,000. Additionally, 6.9 million shares of Class B Common Stock held by CMLS Holdings II LLC, a Delaware limited liability company (the "*Sponsor*"), and certain directors and former directors of the Company automatically converted to shares of Common Stock as of the Closing Date. The disclosure under Item 2.01 of this Report is incorporated into this Item 3.02 by reference.

The Company issued the shares of Common Stock pursuant to the PIPE Investment under Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated under the Securities Act, as a transaction by an issuer not involving a public offering. The Company issued the shares of Common Stock in connection with the conversion of the Class B Common Stock under Section 3(a)(9) of the Securities Act, as an exchange with its existing security holders exclusively where no commission or other remuneration was paid or given directly or indirectly for soliciting such exchange. The investors in the PIPE Investment represented their intentions to acquire the shares for investment only and not with a view to or for sale in connection with any distribution, and appropriate restrictive legends were affixed to the certificates representing all of the shares issued in the PIPE Investment and in connection with the conversion of the Class B Common Stock (or reflected in restricted book entry with the Company's transfer agent). The parties also had adequate access, through business or other relationships, to information about the Company.

Item 3.03. Material Modification to Rights of Security Holders.

The information set forth in Item 5.03 to this Report is incorporated herein by reference.

Item 4.01 Changes in Registrant's Certifying Accountant.

(a) Dismissal of Independent Registered Public Accountant

On September 1, 2021, the audit committee approved the dismissal of WithumSmith+Brown, PC ("*Withum*"), CMLS II's independent registered public accounting firm prior to the Business Combination, in connection with the closing of the Business Combination.

Withum's report ("*Withum's Report*") on the financial statements of CMLS II as of December 31, 2020, and for the period from December 15, 2020 (inception) through December 31, 2020, and the financial statements of CMLS II as of February 25, 2021, included in the Proxy Statement/Prospectus, did not contain any adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles, other than as follows:

Withum's Report contained a separate paragraph stating that:

"As discussed in Note 2 to the financial statement, the Securities and Exchange Commission issued a public statement entitled *Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies ("SPACs")* (the "Public Statement") on April 12, 2021, which discusses the accounting for certain warrants as liabilities. The Company previously accounted for its warrants as equity instruments. Management evaluated its warrants against the Public Statement, and determined that the warrants should be accounted for as liabilities. Accordingly, the financial statement has been restated to correct the accounting and related disclosure for the warrants."

During the period from December 15, 2020 (inception) through December 31, 2020 and the subsequent period through September 1, 2021, there were no disagreements with Withum on any matter of accounting principles or practices, financial statement disclosures or audited scope or procedures, which disagreements if not resolved to Withum's satisfaction would have caused Withum to make reference to the subject matter of the disagreement in connection with its report.

During the period from December 15, 2020 (inception) through December 31, 2020 and the subsequent period through September 1, 2021, there were no "reportable events " (as defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act), except that for the quarter ended March 31, 2021, based upon an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer of CMLS II concluded that its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective solely as a result of the restatement of its financial statements as of and for such periods in light of the SEC the Public Statement, which required CMLS II to reclassify the outstanding warrants as liabilities on its balance sheet. Based on the foregoing, it was determined that CMLS II had a material weakness relating to its internal controls over financial reporting, and such material weakness had not yet been remediated as of June 30, 2021.

The Company has provided Withum with a copy of the disclosures made by the Company in response to this Item 4.01 and has requested that Withum furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the registrant in response to this Item 304(a) and, if not, stating the respects in which it does not agree. A letter from Withum is attached as Exhibit 16.1 to this Report.

(b) Newly Appointed Independent Registered Public Accountant

On September 1, 2021, the audit committee of the Board approved the appointment of Ernst & Young LLP ("*EY*") as the Company's new independent registered public accounting firm to audit the Company's consolidated financial statements for the year ended December 31, 2021.

During the period from December 15, 2020 (inception) through December 31, 2020 and the subsequent period through September 1, 2021, the Company did not consult EY with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements, and no written report or oral advice was provided to the Company by EY that EY concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was either the subject of a disagreement, as that term is described in Item 304(a)(1)(iv) of Regulation S-K under the Exchange Act and the related instructions to Item 304 of Regulation S-K under the Exchange Act, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K under the Exchange Act.

Item 5.01. Changes in Control of the Registrant.

The information set forth above under Item 1.01 and Item 2.01 of this Report is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Effective upon the Closing Date, and in accordance with the terms of the Business Combination, (i) each executive officer of CMLS II ceased serving in such capacities, (ii) Jason Kelly ceased serving on the Board, and (iii) Robert Barchi, Chuck Lillis, Anne Margulies, Ted Meisel, Richard Post, and Roy Smythe were appointed as directors of the Company.

Additionally, effective upon the Closing Date, Roy Smythe was appointed Chief Executive Officer, Melody Harris was appointed President and Chief Operating Officer, Shaun Blakeman was appointed Chief Financial Officer, Amy Graves was appointed Chief Accounting Officer, and Ruben Gutierrez was appointed General Counsel.

Other than as disclosed in Item 5.02 of this Current Report on Form 8-K, reference is made to the disclosure described in the Proxy Statement/Prospectus in the section titled "*Management After the Business Combination*" beginning on page 265 thereof and to Item 1.01 of this Current Report on Form 8-K, which are incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws.

Effective upon the Closing Date, in connection with the consummation of the Business Combination, the Company amended and restated its certificate of incorporation, effective as of the Closing Date, pursuant to a Second Amended and Restated Certificate of Incorporation (as amended, the "*Second Amended and Restated Certificate of Incorporation*"), and the Company adopted restated bylaws pursuant to an Amended and Restated Bylaws (the "*Amended and Restated Bylaws*").

Copies of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws are attached as Exhibits 3.1 and 3.2 to this Report, respectively, and are incorporated herein by reference.

The material terms of the Second Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws and the general effect upon the rights of holders of the Company's capital stock are included in the Proxy Statement/Prospectus under the sections titled "*Proposal No. 5—The Charter Amendment Proposal*" beginning on page 186, of the Proxy Statement/Prospectus, which is incorporated herein by reference.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics

Effective upon the Closing Date, in connection with the consummation of the Business Combination, the Board adopted a new Code of Business Conduct and Ethics, which is applicable to all employees, officers and directors of the Company, which is available on the Company's website at *https://somalogic.com*. The information on the Company's website does not constitute part of this Current Report on Form 8-K and is not incorporated by reference herein.

Item 5.06. Changes in Shell Company Status.

As a result of the Business Combination, the Company ceased to be a shell company. Reference is made to the disclosure in the Proxy Statement/Prospectus in the sections entitled "*Proposal No. 1—The Business Combination Proposal*" beginning on page 127 thereof, which is incorporated herein by reference.

Item 8.01. Other Events.

On September 1, 2021, the parties issued a joint press release announcing the completion of the Business Combination, a copy of which is furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statement and Exhibits.

(a) Financial Statements of Businesses Acquired.

Reference is made to the audited consolidated financial statements of SomaLogic as of and for the years ended December 31, 2020 and 2019, and the related notes thereto, included in the Proxy Statement/Prospectus on pages F-69 through F-100, which are incorporated herein by reference. Reference is further made to the unaudited condensed consolidated financial statements of SomaLogic as of and for the six months ended June 30, 2021 and 2020, and the related notes thereto, are filed as Exhibits 99.3 to this Current Report on Form 8-K and are incorporated herein by reference. Reference is further made to the unaudited condensed consolidated financial statements of CMLS II as of and for the six months ended June 30, 2021 and 2020, and the related notes thereto, included in the Form 10-Q filed with the SEC on August 16, 2021, which is incorporated herein by reference.

(b) Pro Forma Financial Information.

Reference is made to the unaudited pro forma condensed combined financial information of the Company as of and for the six months ended June 30, 2021 and for the year ended December 31, 2020, which is filed as Exhibit 99.4 and is incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.1†	Merger Agreement, as amended by the First Amendment thereto dated May 12, 2021 and the Second Amendment thereto dated July 15, 2021 (included as **Annex A** to the Proxy Statement/Prospectus which forms a part of the S-4/A).	S-4/A	2.1	08/05/2021
3.1	Second Amended and Restated Certificate of Incorporation of SomaLogic, Inc.	8-A/A	3.1	09/01/2021
3.2	Amended and Restated Bylaws of SomaLogic, Inc.	8-A/A	3.1	09/01/2021
4.1	Specimen Class A Common Stock Certificate.	S-4/A	4.1	08/05/2021
4.2	Warrant Agreement.	8-K	10.1	02/26/2021
10.1+	SomaLogic, Inc. 2021 Omnibus Incentive Plan (included as **Annex C** to the Proxy Statement/Prospectus forming a part of the S-4/A).	S-4/A	10.1	08/05/2021
10.2+	SomaLogic, Inc. Employee Stock Purchase Plan (included as **Annex D** to the Proxy Statement/Prospectus forming a part of the S-4/A).	S-4/A	10.2	08/05/2021
10.3+	Form of Stock Appreciation Rights Agreement pursuant to the SomaLogic, Inc. 2021 Omnibus Incentive Plan.	S-4/A	10.3	08/05/2021
10.4+	Form of Incentive Stock Option Award Agreement under the SomaLogic, Inc. 2021 Omnibus Incentive Plan.	S-4/A	10.4	08/05/2021
10.5+	Form of Restricted Stock Unit Award Agreement under the SomaLogic, Inc. 2021 Omnibus Incentive Plan.	S-4/A	10.5	08/05/2021
10.6+	Form of Restricted Stock Award Agreement under the SomaLogic, Inc. 2021 Omnibus Incentive Plan.	S-4/A	10.6	08/05/2021
10.7+	Form of Non-Qualified Stock Option Award Agreement under the SomaLogic, Inc. 2021 Omnibus Incentive Plan.	S-4/A	10.7	08/05/2021
10.8+	SomaLogic, Inc. 2009 Equity Incentive Plan.	S-4/A	10.8	08/05/2021

10.9+	Form of Non-Statutory Stock Option Agreement under the SomaLogic, Inc. 2009 Equity Incentive Plan.	S-4/A	10.9	08/05/2021
10.10+	Form of Incentive Stock Option Agreement under the SomaLogic, Inc. 2009 Equity Incentive Plan.	S-4/A	10.10	08/05/2021
10.11+	SomaLogic, Inc. 2017 Equity Incentive Plan.	S-4/A	10.11	08/05/2021
10.12+	Form of Option Agreement (Incentive Stock Option or Non-statutory Stock Option) under the SomaLogic, Inc. 2017 Equity Incentive Plan.	S-4/A	10.12	08/05/2021
10.13+	Severance Agreement, dated September 1, 2020, between SomaLogic, Inc. and Lawrence Gold.	S-4/A	10.13	08/05/2021
10.14+	First Amendment to Severance Agreement, dated December 4, 2020, between SomaLogic, Inc. and Lawrence Gold.	S-4/A	10.14	08/05/2021
10.15+	Employment Agreement, dated April 20, 2020, between SomaLogic, Inc. and Roy Smythe.	S-4/A	10.15	08/05/2021
10.16+	Employment Agreement, dated April 20, 2020, between SomaLogic, Inc. and Stephen Williams.	S-4/A	10.16	08/05/2021
10.17+	Employment Agreement, dated April 20, 2020, between SomaLogic, Inc. and Melody Harris.	S-4/A	10.17	08/05/2021
10.18+	Amendment to Employment Agreement dated June 28, 2021 between SomaLogic, Inc. and Roy Smythe.	S-4/A	10.18	08/05/2021
10.19+	Amendment to Employment Agreement dated June 28, 2021 between SomaLogic, Inc. and Stephen Williams.	S-4/A	10.19	08/05/2021
10.20+	Amendment to Employment Agreement dated June 28, 2021 between SomaLogic, Inc. and Melody Harris.	S-4/A	10.20	08/05/2021
10.21	Form of Subscription Agreement.	8-K	10.1	03/29/2021
10.22	Form of Stockholder Lock-Up Agreement.	8-K	10.2	03/29/2021
10.23	Form of Stockholder Support Agreement.	8-K	10. 3	03/29/2021
10.24	Sponsor Support Agreement dated March 28, 2021.	8-K	10.4	03/29/2021
10.25	Forfeiture Agreement dated March 28, 2021.	8-K	10.5	03/29/2021
10.26	Form of Amended and Restated Registration Rights Agreement.	8-K	10.6	03/29/2021
10.27	Investment Management Trust Agreement dated February 22, 2021.	8-K	10.2	02/26/2021
10.28	Registration Rights Agreement dated February 22, 2021.	8-K	10.3	02/26/2021
10.29	Private Placement Warrants Purchase Agreement dated February 22, 2021.	8-K	10.4	02/26/2021

10.30	Letter Agreement dated February 22, 2021.	8-K	10.5	02/26/2021
10.31	Forward Purchase Agreement dated February 22, 2021.	8-K	10.6	02/26/2021
10.32	Forward Purchase Agreement dated February 22, 2021.	8-K	10.7	02/26/2021
10.33††	Master Collaboration Agreement, dated September 20, 2019, between SomaLogic, Inc. and Novartis Pharma AG.	S-4/A	10.33	08/05/2021
10.34††	Amended and Restated Master SomaScan Discovery Services Agreement, dated October 13, 2020, between SomaLogic, Inc. and Amgen Inc.	S-4/A	10.34	08/05/2021
16.1*	Letter from Withum to the U.S. Securities and Exchange Commission dated September 8, 2021.			
21.1*	Subsidiaries of the Company.			
99.1*	Joint Press Release Announcing the Completion of the Business Combination dated September 1, 2021.			
99.2*	Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company as of and for the six months ended June 30, 2021 and 2020.			
99.3*	Unaudited condensed consolidated financial statements of the Company as of and for the six months ended June 30, 2021 and 2020.			
99.4*	Unaudited pro forma condensed combined financial information of the Company as of and for the six months ended June 30, 2021 and the year ended December 31, 2020.			
104	Cover Page Interactive Data File (formatted as Inline XBRL).			

* Filed herewith.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

†† The Company has omitted portions of the exhibit as permitted under Regulation S-K Item 601(b)(10). The Registrant agrees to furnish on a supplemental basis an unredacted copy of this exhibit and its materiality and privacy or confidentiality analysis if requested by the SEC.

\+ Management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 8, 2021

SOMALOGIC, INC.

By: /s/ Roy Smythe
Name: Roy Smythe
Title: Chief Executive Officer

Exhibit 16.1

September 8, 2021

Office of the Chief Accountant
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Ladies and Gentlemen:

We have read SomaLogic, Inc.'s (formally known as CM Life Sciences II Inc.) statements included under Item 4.01(a) of its Form 8-K dated September 8, 2021. We agree with the statements concerning our Firm under Item 4.01(a), in which we were informed of our dismissal on September 1, 2021. We are not in a position to agree or disagree with other statements contained therein.

Very truly yours,

/s/ WithumSmith+Brown, PC

New York, New York

Exhibit 21.1

SUBSIDIARIES OF SOMALOGIC, INC.

Name of Subsidiary	Jurisdiction
1. SomaLogic Operating Co., Inc.	Delaware
2. SomaLogic Limited	United Kingdom

somalogic

SomaLogic Closes Business Combination and Will Begin Trading Under the Ticker "SLGC" on the Nasdaq Stock Exchange

- *SomaLogic to debut on Nasdaq as a leading publicly traded AI-data driven proteomics platform company*
- *Business combination results in approximately $630 million in gross cash proceeds to catalyze organic and inorganic growth initiatives*
- *Combined company to trade on Nasdaq under ticker "SLGC"*

NEW YORK & BOULDER, Colo. (September 1, 2021) – SomaLogic, Inc., a leader in AI-data driven proteomics technology, today announced that it has completed its business combination with CM Life Sciences II, Inc. (Nasdaq: CMIIU), a special purpose acquisition company sponsored by affiliates of leading healthcare and life sciences fund advisors Casdin Capital and Corvex Management. Following the transaction, the combined company was renamed SomaLogic, Inc., and its Class A common stock and warrants will begin trading on the Nasdaq Global Market ("Nasdaq") on September 2, 2021 under the symbols "SLGC" and "SLGCW," respectively. The business combination and concurrent private placement were approved by CM Life Sciences II shareholders at its special meeting held on August 31st, 2021.

"We are both excited and prepared to begin a new chapter as a publicly traded company, accelerating our goal of leveraging proteomics to have an increasingly positive impact on human health and healthcare delivery," said Roy Smythe, M.D., SomaLogic's Chief Executive Officer. "Our innovative, differentiated platform has a multi-year track record of success, but our commercial ramp has only just begun. We intend to build on our first-mover advantage – working with research collaborators, diversifying our offerings through kits and other products for life sciences customers, and continuing to develop new diagnostic applications from our deep pipeline. SomaLogic had long been a leading, driving force in the evolution of proteomics, and we intend to remain at the forefront of that effort."

The combined company will be led by industry veteran Dr. Roy Smythe as Chief Executive Officer. Following the business combination, the SomaLogic board will include new directors Troy Cox (Former CEO of Foundation Medicine and SVP of U.S. BioOncology for Genentech), Kevin Conroy (Chairman and CEO of Exact Sciences), Steve Quake (Lee Otterson Professor of Bioengineering and Professor of Applied Physics at Stanford University), Bob Barchi (distinguished Professor and former President of Rutgers University), and Ted Meisel (Executive Founder of AVIA Health Innovation, and Executive Chairman of WiserCare) who will join Chairman Chuck Lillis (Co-founder and Partner, LoneTree Capital), Roy Smythe (CEO), Anne Marguiles (Vice President & Chief Information Officer, Harvard University), Rick Post (Former President & CEO, Autobytel, Inc.) and Eli Casdin (Chief Investment Officer and Founder, Casdin Capital).

"The completion of this business combination is a pivotal milestone in our long-established partnership with SomaLogic and brings a scale of resource and support that will super-charge its already dominant platform and pipeline of commercial offerings," said Eli Casdin, Board Member of SomaLogic and former CEO of CM Life Sciences II. "Proteomics is a huge untapped opportunity set and a next frontier for drug discovery, research, and diagnostics. This is, a uniquely positioned company on that frontier and the one we see as leading the charge to deliver enormous value for researchers, clinicians and investors alike."

“We are thrilled to announce the close of the business combination with SomaLogic, a company that has established itself as the industry-leading proteomics company with a pioneering platform that spans technology enablement to clinical applications,” said Keith Meister, former Chairman of CM Life Science II. “With the additional capital from this transaction, SomaLogic has significant resources to invest aggressively in its commercialization efforts and strategic initiatives, both organic and inorganic, to drive long-term growth.”

SomaLogic’s industry leading proteomics platform provides more coverage of the proteome than any other technology, across a wide range of concentrations, which can then be used for insights across numerous indications.

As a result of the business combination, SomaLogic received approximately $630 million in cash proceeds, including from a PIPE offering which included notable growth and life science investors Casdin Capital, Corvex Management, Janus Henderson Investors, SB Management, a subsidiary of SoftBank Group Corp, funds and accounts advised by T. Rowe Price Associates, Inc., separate accounts advised by ARK Invest, Farallon Capital, Perceptive Advisors, funds and accounts managed by Counterpoint Global (Morgan Stanley), other existing investors and a new strategic investor Illumina and an existing strategic SomaLogic investor Novartis Pharma AG.

Advisors

Jefferies LLC is acting as sole financial advisor and capital markets advisor and White & Case LLP is serving as legal advisor to CM Life Sciences II. Jefferies LLC, Cowen and Company, LLC and J.P. Morgan Securities LLC acted as PIPE placement agents.

J.P. Morgan Securities LLC and Cowen and Company, LLC are serving as financial advisors, and Reed Smith LLP is serving as legal advisor to SomaLogic.

About CM Life Sciences II

Prior to the business combination, CM Life Sciences II was founded to take advantage of a dynamic life science sector buoyed by innovation yet fragmented, where many companies are under-resourced and under-scaled. Significant and under-appreciated opportunities for consolidation are ready for engagement by a team versed in the trends and themes, and who can bring together the strongest of the new companies and management teams to capitalize on near- and far-term opportunities. For more information, please visit: https://cmlifesciencesspac.com/

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 on Twitter.

SomaSignal™ 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 SomaScan Platform is 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 SomaScan 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 with respect to the proposed business combination between SomaLogic and CM Life Sciences II and otherwise, including statements regarding the anticipated benefits of the business combination, the anticipated timing of the business combination, expansion plans, projected future results and market opportunities of SomaLogic. 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 or CM Life Sciences II's control. You should carefully consider the risks and uncertainties described in the "Risk Factors" section of the CM Life Sciences II's registration statement on Form S-4 (File No. 333-256127) (the "Registration Statement") and the definitive proxy statement/prospectus included therein. These filings identify 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 and CM Life Sciences II assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Neither SomaLogic nor CM Life Sciences II gives any assurance that either SomaLogic or CM Life Sciences II or the combined company will achieve its expectations.

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Investor Contact
Marissa Bych or Lynn Lewis
Gilmartin Group LLC
investors@somalogic.com

Exhibit 99.2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of SomaLogic's results of operations and financial condition should be read in conjunction with the information set forth in SomaLogic's audited consolidated financial statements as of and for the years ended December 31, 2020 and 2019 and the unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2021 and 2020, and the related respective notes thereto, included in the Proxy Statement/Prospectus incorporated herein by reference or included elsewhere in this Current Report on Form 8-K (the "Form 8-K"), of which this Management's Discussion and Analysis of Financial Condition and Results of Operations forms a part. This discussion contains forward-looking statements based upon SomaLogic's current expectations, estimates and projections that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to, among other considerations, the matters discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this Form 8-K and in the Proxy Statement/Prospectus incorporated herein by reference. Unless the context otherwise requires, all references in this section to the "Company," "we," "us" or "our" refer to the business of SomaLogic, Inc., a Delaware corporation, and its subsidiary prior to the consummation of the Business Combination, and to New SomaLogic and its consolidated subsidiary following the consummation of the Business Combination.

Business Overview

SomaLogic is a leading commercial-stage proteomics company. We have built an integrated proteomics platform capable of robust, high throughput proteomics analysis with broad proteome coverage, low limits of detection, high reproducibility and at low costs. We designed our platform with the goal of being a universal proteomics platform, with the breadth (number of proteins measured) and precision (accuracy of measurement) important for discovery and research applications, and both the reproducibility and robustness important for clinical applications. Our platform is underpinned by our extensive global patent portfolio protecting our proteomics platform, products and services, our proprietary assay technology, our proteomics database (which we believe is one of the largest proteomics databases worldwide), and artificial intelligence and machine learning capabilities. As of June 30, 2021, our assay can measure approximately 7,000 protein target measurements in a single sample using only approximately 55µL of plasma or serum. Our proteomics database matches proteomics and clinical information and contains over 1.5 billion protein measurements with over 675,000 participant-years of longitudinal clinical data from follow-up. Leveraging our artificial intelligence-enabled bioinformatics capability, we use our database to power diagnostic product development for our research and clinical customers. We currently run our platform within our own laboratory, receive samples from customers and provide them proteomics analysis services. We are also developing an integrated solution comprising kits and select equipment that would enable customers to perform our proteomics assay at their own sites and leverage our bioinformatics capabilities to analyze the data. We have served over 300 customers and collaborators with our proteomics technology since 2015. Our current partnerships include Novartis, Amgen and others, and our proteomics assay is used in laboratories both at the FDA and the National Institute of Health.

As of 2021, we primarily generate revenue through our assay services, which consists primarily of a service model whereby we receive samples from pharmaceutical, biotechnology or academic clients, perform the SomaScan® assay, and subsequently use bioinformatics and analytics to further refine the collected data and deliver this back to the customer. In the six months ended June 30, 2021 and in the years ended December 31, 2020 and 2019, approximately 75%, 85%, and 87%, respectively, of our assay services sales were generated by pharmaceutical customers. In mid-2020, we re-opened a simple fee-for-service offering, in addition to our previous data-sharing model that has proven very popular among customers. We expect our customer base to continue to grow in 2021 as a result of the fee-for-service offering and an expanded commercial development team.

In addition to the SomaScan® assay, we have developed and released SomaSignal™ tests into an observation market. The SomaSignal™ tests are data-driven diagnostic tests with high predictive power of biological disease and risks to patients which have a wide range of potential applications. We are currently evaluating a variety of different partnerships to drive adoption of SomaSignal™ tests.

We also generate product revenue, which primarily consists of the sale of SomaScan® kits. Our assay kits are aimed at enabling our customers to bring our proteomic platform in-house. We have historically sold our kits to a limited number of primarily academic customers and are establishing agreements for an upgraded platform with several sites in 2021 to prepare for a future full-scale launch.

As of June 30, 2021, we had approximately 220 employees, including a commercial team of more than 25 employees and a research and development team of more than 45 employees. We plan to continue expanding our commercial team significantly in the coming years.

Our commercial and product development teams are consistently partnering with our customers to develop products and services which speed the adoption of proteomics for our customers, including data analysis, data integration and ease of use tool sets. We are also actively exploring several potential co-marketing and new channel and product development opportunities with various partners in closely aligned scientific verticals, such as genomics.

We have historically and will continue to invest heavily in new products and solutions. Our research and development efforts are primarily focused on developing new proteomic content and additional SomaSignal™ tests as well as developing new applications for existing technologies.

Since our inception, we have incurred net losses in each year. Our net losses were $22.8 million and $36.6 million for the six months ended June 30, 2021 and 2020, respectively, and $53.0 million and $57.0 million for the years ended December 31, 2020 and 2019, respectively. As of June 30, 2021, we had an accumulated deficit of $434.2 million, cash and cash equivalents of $47.1 million, and short-term investments of $111.0 million. We expect to continue to incur significant expenses for the foreseeable future and to incur operating losses. We expect our expenses will increase in connection with our ongoing activities as we:

- expand our sales and marketing efforts to further commercialize our products;
- expand our research and development efforts to improve our existing products and develop and launch new products;
- invest in processes, tools and infrastructure to support the growth of our business, including incurring costs related to operating as a public company;
- attract, hire and retain qualified personnel; and
- protect and defend our intellectual property.

Business Combination

On March 28, 2021, SomaLogic entered into the Merger Agreement with CMLS II and Merger Sub. Pursuant to the terms of the Merger Agreement, on September 1, 2021 (the "*Closing Date*"), (i) SomaLogic ("*Old SomaLogic*") changed its name to "SomaLogic Operating Co., Inc.", (ii) CMLS II changed its name to "SomaLogic, Inc." ("*New SomaLogic*", which represents "*SomaLogic*" or the "*Company*" following the consummation of the Business Combination), and (iii) Merger Sub merged with and into Old SomaLogic, with Old SomaLogic surviving the Merger as a wholly owned subsidiary of New SomaLogic (the "*Business Combination*").

The Business Combination will be accounted for as a reverse recapitalization. SomaLogic is deemed the accounting predecessor and the combined entity is the successor SEC registrant, which means that SomaLogic's consolidated financial statements for previous periods will be disclosed in the registrant's future periodic reports filed with the SEC. Under this method of accounting, CMLS II is treated as the acquired company for financial reporting purposes.

The most significant change in the successor's future reported financial position and results are expected to be an estimated $535.5 million net increase in cash and cash equivalents (as compared to SomaLogic's consolidated balance sheet at June 30, 2021) and an estimated $688.9 million net increase in total stockholders' equity (as compared to SomaLogic's consolidated balance sheet at June 30, 2021), based on actual CMLS II stockholders' redemptions and SomaLogic stockholders' cash elections. Total transaction costs are estimated at approximately $43.1 million, of which SomaLogic expects approximately $1.2 million to be expensed. Refer to the unaudited pro forma condensed combined financial information of the post-combination company included elsewhere in this Form 8-K.

As a result of the Business Combination, SomaLogic is the successor to a SEC-registered and a Nasdaq-listed company, which will require SomaLogic to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. SomaLogic expects to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees, and additional internal and external accounting, legal, and administrative resources, including increased personnel costs, audit and other professional services fees.

Impact of the COVID-19 Pandemic

In March 2020, the World Health Organization declared the Coronavirus Disease 2019 (COVID-19) outbreak to be a global pandemic. Since then, COVID-19 has continued to spread throughout much of the United States and the world causing uncertainty and disruption to business activities.

The COVID-19 pandemic resulted in delays in our fundraising efforts and revenue. In response, we took aggressive actions to reduce spend and contain costs including implementing a hiring freeze, eliminating travel, executing early lease terminations for two administrative buildings in Boulder, Colorado, as well as closing our Oxford, United Kingdom laboratory ("*Lab Closure*"). The Company experienced notable shifts in research funding in the pharmaceutical industry to COVID-19 research, largely delaying our revenue from the first half of 2020 to the second half of 2020. The Company modified its amended and restated credit agreement ("*Amended and Restated Credit Agreement*") in the second and fourth quarters of 2020 in order to avoid noncompliance with financial and nonfinancial covenants. Despite the economic challenges due to the COVID-19 pandemic, we ended fiscal year 2020 with revenue growth of 74% year over year and we ended the first six months of 2021 with revenue growth of 188% compared to the same six months in the prior year. We also benefited from our cost savings actions which included reduction in travel and non-essential spending.

The COVID-19 pandemic continues to be dynamic and near-term challenges across the economy remain. We expect continued volatility and unpredictability related to the impact of COVID-19 on our business results. We continue to actively monitor the pandemic and we will continue to take appropriate steps to mitigate the adverse impacts on our business posed by the on-going spread of COVID-19.

Factors Affecting Our Performance

The following factors have been important to our business and we expect them to impact our results of operations and financial condition in future periods:

Continued adoption of our services and products

Our performance depends on our ability to drive adoption of our integrated platform of proteomic solutions and services, initially in the research and clinical markets. We have a well-established base of marquee customer and Key Opinion Leaders ("*KOL*") relationships in place, and as we grow further, we expect to win contracts with new customers and expand the scope of existing contracts with existing customers. To facilitate this growth, we will grow our commercial organization and raise awareness through all available channels, including our KOL relationships and relevant publications. We plan to develop and grow our offering of reagents and corresponding solutions, including both small and large plex capabilities, site-of-service deployed assay options, and bioinformatics offerings to attract additional customers and cross-sell to existing customers. Additionally, we have an ongoing focus on growing our proteomics database and artificial intelligence and machine learning analytics to drive value and market opportunities.

Continued investment in growth

Our significant revenue growth has been driven by rapid innovation towards novel solutions that command price premiums and quick adoption of our solutions by our customer base. We intend to continue to make focused investments to increase revenue and scale operations to support growth and therefore expect expenses in this area to increase. We have invested, and will continue to invest, significantly in our laboratory process and commercial infrastructure. Investments in research and development will include hiring of employees with the necessary scientific and technical backgrounds to enable enhancements to our existing services and products and bring new services and products to market. Additionally, we plan to invest in sales and marketing activities, and expect to incur additional general and administrative expenses. To support the expansion, expenditures to develop and mature operational processes, financial and management information systems are expected to be incurred. As cost of revenue, operating expenses and capital expenditures fluctuate over time, we may experience short-term, negative impacts to our results of operations and cash flows, but we are undertaking such investments in the belief that they will contribute to long-term growth.

We have made, and intend to continue to make, investments that meet management's criteria to expand or add key technologies we believe will facilitate the development and commercialization of new products or services in the future. Such investments could take the form of an asset acquisition, the acquisition of a business or the exclusive or non-exclusive license of patented technology. Any acquisitions we make may affect our future financial results.

Ability to lower the costs associated with performing the assay

Reducing the costs associated with performing our assay is both our focus and strategic objective. Over the long term, our objective is to reduce the cost of raw materials by improving the output efficiency of our assays and laboratory processes. Our approach to reducing these costs include, but are not limited to, modifying our assays and laboratory processes to use materials and technologies that provide equal or greater quality at lower cost, improving how we manage our materials and negotiating favorable terms for our materials purchases. We plan to reduce the cost of performing our SomaScan® assay as we move to either a less expensive array or Next Generation Sequencing system for our DNA readout of the protein concentrations present in a sample.

Seasonality

Our revenue can be seasonal dependent upon the spending patterns of our customers. Seasonality results from a number of factors, including the procurement and budgeting cycles of many of our customers, especially government- or grant-funded customers, whose cycles often coincide with government fiscal year ends. For example, the U.S. government's fiscal year end occurs in our third quarter and may result in increased sales of our products during such quarter if government-funded customers have unused funds that may be forfeited, or future budgets that may be reduced, if such funds remain unspent at such fiscal year end. Furthermore, the academic budgetary cycle similarly requires grantees to "use or lose" their grant funding, which seems to be tied disproportionately to the end of the calendar year, driving sales higher during the fourth quarter. Similarly, our biopharmaceutical customers typically have calendar year fiscal years which also result in a disproportionate amount of their purchasing activity occurring during our fourth quarter.

Development and commercialization of clinical diagnostic tests

To facilitate a more complete understanding of human biology and improve human wellness, we aim to continue to advance our portfolio of clinical diagnostic tests that leverage our proprietary proteomics platform and artificial intelligence-enabled bioinformatics. By developing additional tests, the Company can provide more options to customers and collaborators and further commercialize our platform driving growth in revenue.

We released our first 12 SomaSignal™ tests into an observation market (local concierge practices in Colorado) under our laboratory developed tests ("*LDT*") Clinical Laboratory Improvement Amendments ("*CLIA*") license in late 2019. This selected market is being used to study sample logistics and flow, SomaSignal™ tests report structure as well as to determine the support needs of clinicians and patients ordering and receiving SomaSignal™ tests results. Over the past year, we have developed 16 tests for the research use only ("*RUO*") market — most of which are directed at characterizing individuals in clinical trials. We anticipate approximately 10 to 15 additional SomaSignal™ tests or product claims to clear our development and validation process during 2021, mostly directed at helping to manage chronic disease and will be of significant interest to health system providers.

We are working closely with our clinical implementation partners and prioritizing the test pipeline to have the greatest impact on their business. Our plan is for these tests to focus on disease management, enabling at home sample collection and facilitating early intervention in diseases with the highest morbidity and mortality burden, such as type 2 diabetes, obesity, and cardiovascular disease.

Working in conjunction with our proteomics database and bioinformatics capabilities, our broad and versatile foundational assay, SomaScan®, enables the natural expansion of our test menu given the continuous incorporation of real-world data into our growing foundational assay. We believe this dynamic will support continuous and long-term growth of our research and clinical diagnostics business. Additionally, with our growing foundational assay in place as the single source for all new test menus, we believe we are well positioned to expand to additional adjacent markets within proteomics and genomics.

Expansion of our proteomic content

As of June 30, 2021, we have a library of slow off-rate modified aptamers, SOMAmers® reagents against approximately 7,000 protein target measurements of the 20,000 known canonical proteins encoded in the human genome. The breadth (number of proteins measured) of our SomaScan® assay is uniquely superior to other technologies in an aspect that is vital to customers. For each protein, we typically have a collection of 100's to 1000's of proprietary "monoclonal" SOMAmer® reagents (reagents with unique and defined sequences) from which we select and place one, or in some cases several, reagents on our SomaScan® assay. Any follow-up studies, which are of interest to many of our customers and partners, are facilitated with these collections of reagents, which is uniquely possible with our technology. To maintain our competitive advantage, we plan to increase the number of protein reagents to approximately 10,000 in the next 24 months based on allocated funding, resource availability, and the successful validation of new reagents. Upon successful commercialization of the new reagents, the impact to cost of revenue for the new proteomic content is estimated to be offset by the increased efficiencies we may gain from sample volume growth and value engineering initiatives.

Components of Results of Operations

Revenue

We derive our revenue from four primary sources: (1) assay services revenue, (2) product revenue, (3) collaboration revenue, and (4) other revenue. Customers include top biopharmaceutical companies and leading academic research universities.

Assay services revenue

We generate assay services revenue primarily from the sale of SomaScan® services. SomaScan® service revenue is derived from performing the SomaScan® assay on customer samples to generate data on protein biomarkers. We expect assay services revenue to increase over the long-term with new and recurring sales opportunities. With the enhancement of our proteomic services, we expect to capture more market opportunities outside of the U.S. region, as well as winning contracts with new customers and expanding the scope of sales with existing customers.

Product revenue

Product revenue primarily consists of kit sales, which enable our customers to bring the SomaScan® proteomic platform in-house and to build lines of business based on this technology. In preparation for a full-scale launch, we are establishing agreements with several sites to deploy kits this year. This will allow SomaLogic to quickly grow into geographic regions and research organizations we have historically not operated in.

Collaboration revenue

Collaboration revenue consists of fees earned for research and development services, except for grant revenue research and development services that are classified in other revenue. Collaboration revenue currently relates to an arrangement with one customer, NEC Solution Innovators, Ltd. ("*NES*"), a wholly owned subsidiary of NEC Corporation ("*NEC*"). We believe expanding collaborative arrangements with KOLs will allow for further enhancements of our integrated platform, lower barriers to adoption and introduce or expand new market channels and customers within geographic regions and markets we do not currently operate in.

Other revenue

Other revenue includes royalty revenue and revenue received from research grants. The Company recognizes royalty revenue for fees paid by customers in return for the exclusive license to make, use or sell certain licensed products in certain geographic areas. Grant revenue represents funding under cost reimbursement programs from government agencies, and non-profit foundations for qualified research and development activities performed by the Company. We expect other revenue to continue to grow as we expand our commercial team and they continue to pursue licensing relationships.

Cost of revenue

Cost of assay services revenue

Cost of assay services revenue consists of raw materials and production costs, salaries and other personnel costs, overhead and other direct costs related to assay services revenue. It also includes provisions for excess or obsolete inventory and costs for production variances, such as yield losses, material usages, spending and capacity variances. Cost of assay services revenue also includes royalty fees that the Company owes to third parties related to assay services.

We expect cost of assay services revenue to increase as we grow our sample volume. We expect the cost per sample to decrease over the long term due to the efficiencies we may gain as sample volume increases from improved utilization of our laboratory capacity and other value engineering initiatives. If our sample volume throughput is reduced as a result of the COVID-19 pandemic or otherwise, cost of revenue as a percentage of total revenue may be adversely impacted due to fixed overhead cost.

Cost of product revenue

Cost of product revenue consists of raw materials and production costs, salaries and other personnel costs, overhead and other direct costs related to product revenue. Cost of product revenue is recognized in the period the related revenue is recognized. Shipping and handling costs incurred for product shipments are included in cost of product revenue in the consolidated statements of operations and comprehensive loss. Cost of product revenue also includes royalty fees that the Company owes to third parties related to the sale of products.

Research and development

Research and development expenses consist primarily of salaries and benefits, laboratory supplies, clinical study costs, consulting fees and related costs. We believe that our continued investment in research and development is essential to our long-term competitive position. We plan to continue to invest significantly in our research and development efforts, including hiring additional employees, with an expected focus on advancing our assay and our bioinformatics platform, new clinical studies, as well as lowering the cost of assays. As a result of these and other initiatives, we expect research and development expenses will increase in absolute dollars in future periods and vary from period to period as a percentage of revenue.

Selling, general and administrative

Selling expenses consist primarily of personnel and marketing related costs. General and administrative expenses consist primarily of personnel costs for our finance, human resources, business development and general management, as well as professional services, such as legal and accounting services.

As we continue to introduce new services and products, broaden our customer base and grow our business, we expect selling, general and administrative expenses to increase in future periods as the number of sales and marketing and administrative personnel grows. We also anticipate incurring increased accounting, audit, legal, regulatory, compliance, director and officer insurance costs, as well as, investor and public relations expenses associated with operating as a public company.

Interest income and other, net

Interest income and other, net primarily consists of interest earned on our cash equivalents and investments, which are invested in money market funds, commercial paper, corporate bonds, U.S. Treasuries, asset-backed securities, and international government securities.

Interest expense

Interest expense is attributable to our borrowings under debt agreements as well as the change in fair value of the compound derivative liability.

Loss on extinguishment of debt, net

Loss on extinguishment of debt, net consists of a loss on extinguishment of debt due to repayment of the Amended and Restated Credit Agreement and a gain on extinguishment of debt due to forgiveness of the Paycheck Protection Program ("*PPP*") loan during the six months ended June 30, 2021.

Results of Operations

Comparison of Six Months Ended June 30, 2021 to Six Months Ended June 30, 2020

Revenue

	Six Months Ended June 30,			
(dollars in thousands)	**2021**	**2020**	**$ Change**	**% Change**
Revenue:				
Assay services revenue	$ 30,809	$ 10,788	$ 20,021	186%
Product revenue	655	689	(34)	(5)%
Collaboration revenue	1,525	957	568	59%
Other revenue	5,651	999	4,652	466%
Total revenue	$ 38,640	$ 13,433	$ 25,207	188%

Total revenue increased $25.2 million, or 188%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Assay services revenue increased by $20.0 million, or 186%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 primarily due to a $14.5 million increase in sample volumes and a $5.5 million increase related to higher-average price per sample as a result of the reintroduction of the fee-for-service model in 2020. The increase in volume and price per sample for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 is partly due to a new contract with an existing customer for $9.7 million.

Product revenue decreased by less than $0.1 million, or 5%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 primarily due to a reduction in the volume of kits sold.

Collaboration revenue increased by $0.6 million, or 59%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 primarily due to the modification of our existing collaborative arrangement to develop a professional software tool to enable SomaScan® customers to easily access and interpret the highly multiplexed proteomic data generated by SomaLogic's SomaScan® assay technology in March 2020. SomaLogic and NEC modified the collaboration agreement by entering into a new collaborative arrangement with NES in March 2020 to develop and commercialize SomaScan® services in Japan.

Other revenue increased by $4.7 million, or 466%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to a $4.1 million increase in royalty income related to an exclusive license to provide specific SOMAmers® in certain current and future products and a $0.6 million increase related to new grant revenue arrangements.

Cost of revenue

(dollars in thousands)	Six Months Ended June 30, 2021	2020	$ Change	% Change
Cost of assay services revenue	$ 13,811	$ 7,133	$ 6,678	94%
Cost of product revenue	419	334	85	25%
Total cost of revenue	$ 14,230	$ 7,467	$ 6,763	91%

Total cost of revenue increased $6.8 million, or 91%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Cost of assay services revenue increased by $6.7 million, or 94%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase in cost of assay services revenue was primarily due to an increase in manufacturing costs as a result of volume increases, net of production efficiencies.

Cost of product revenue increased by less than $0.1 million, or 25%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 primarily due to an increase in the cost of materials, partially offset by a reduction in the volume of kits sold.

Research and development

(dollars in thousands)	Six Months Ended June 30, 2021	2020	$ Change	% Change
Research and development	$ 16,708	$ 16,296	$ 412	3%

Research and development increased by $0.4 million, or 3%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase in research and development was primarily due to a $0.2 million increase in wages and benefits due to increased headcount for our research and development team and a $0.2 million increase in stock-based compensation expense due to new option grants.

Selling, general, and administrative

(dollars in thousands)	Six Months Ended June 30, 2021	2020	$ Change	% Change
Selling, general and administrative	$ 27,642	$ 18,418	$ 9,224	50%

Selling, general, and administrative increased $9.2 million, or 50%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase in selling, general and administrative was primarily due to a $5.7 million increase in advisory and management services incurred in relation to the Business Combination and other transactions, a $2.3 million increase in wages and benefits due to increased headcount for our commercial team, and a $1.1 million increase in stock-based compensation expense due to new option grants and option modifications.

Other (expense) income

(dollars in thousands)	Six Months Ended June 30, 2021	2020	$ Change	% Change
Other (expense) income:				
Interest income and other, net	$ 71	$ 125	$ (54)	(43)%
Interest expense	(1,322)	(7,995)	6,673	83%
Loss on extinguishment of debt, net	(1,630)	-	(1,630)	(100)%
Total other expense	$ (2,881)	$ (7,870)	$ 4,989	63%

Total other expenses decreased $5.0 million, or 63%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Interest income and other, net decreased by less than $0.1 million, or 43%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 primarily due to lower interest rates on investments.

Interest expense decreased $6.7 million, or 83%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The decrease in interest expense was primarily due to a $4.8 million change in the fair value of the compound derivative liability in the six months ended June 30, 2020. In April 2021, the Company repaid the Amended and Restated Credit Agreement in full and the fair value of the compound derivative liability was included in the net carrying amount of the debt used to determine the loss on debt extinguishment.

Loss on extinguishment of debt, net of $1.6 million for the six months ended June 30, 2021 is due to a $5.2 million loss on extinguishment of debt as a result of the repayment of the Amended and Restated Credit Agreement in April 2021, offset by a $3.6 million gain on extinguishment of debt as of result of the forgiveness of the PPP loan in June 2021.

Liquidity and Capital Resources

As of June 30, 2021, our principal sources of liquidity were cash and cash equivalents and investments of $158.2 million. We have financed our operations primarily through revenue collected from our customers, net proceeds from sale of our capital stock, and borrowings from debt facilities. Following the completion of the reverse recapitalization, we expect that our operating cash flows, in addition to cash on hand, will enable us to make investments in the future. We expect our operating cash flows to further improve as we increase operational efficiencies and experience economies of scale.

We believe that our existing cash and cash equivalents, investments and cash flow from operations will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including our sample volume growth rate, the pace of expansion of sales and marketing activities, the timing and extent of spending to supporting research and development efforts, the introduction of new and enhanced products and services, and the level of costs to operate as a public company following the reverse recapitalization. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies.

As of June 30, 2021, SomaLogic's cash and cash equivalents amounted to $47.1 million. On a pro forma basis, after giving effect to the consummation of the Business Combination and PIPE Investment, SomaLogic's cash and cash equivalents would have amounted to approximately $582.7 million on June 30, 2021, net of $43.1 million transaction costs, $0.8 million redemptions by CMLS II stockholders, and $50.0 million cash elections by SomaLogic stockholders. We intend to use a portion of the net cash proceeds from the Business Combination and PIPE Investment for payment of certain transaction costs. The remaining net cash proceeds will be retained by the Company to help fund future strategic and capital needs.

Our borrowings from debt facilities were provided from three different sources. On April 9, 2021, the Company repaid the Amended and Restated Credit Agreement in full and the obligation was extinguished. In addition to the outstanding principal balance of $33.3 million as of that date, the Company also paid a prepayment penalty of approximately $4.0 million.

In April 2020, we received a loan in the aggregate amount of $3.5 million, pursuant to the Paycheck Protection Program, established pursuant to the recently enacted Coronavirus Aid, Relief, and Economic Security Act ("*CARES Act*") and administered by the U.S. Small Business Administration. Under the terms of the CARES Act, we applied for and received forgiveness on June 21, 2021 for the full amount borrowed under the PPP loan, including less than $0.1 million of accrued interest, which was recognized as a gain on extinguishment of debt during the six months ended June 30, 2021.

As of June 30, 2021, we had $2.0 million in principal balance outstanding related to the unsecured convertible promissory note ("*Convertible Debt*") that was issued in March 2007. The Convertible Debt has a fixed interest rate of 3.75% and matures on June 30, 2024. On July 9, 2021, the holder of the Convertible Debt converted the Convertible Debt into 682,070 shares of Class B common stock that resulted in an economic value equivalent to the issuance of preferred stock at the preferred stock conversion price indicated in the Convertible Debt note. As of the date hereof no debt obligations are outstanding.

We may be required to seek additional equity or debt financing. In the event the Company requires additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations, and financial condition.

We also have entered into various non-cancelable operating lease agreements for our current headquarters and laboratory facilities in Boulder, Colorado. In September 2020, we agreed to terminate the lease agreement for our corporate headquarters effective June 2021 and our lease for additional office space expires in August 2021. In connection with the Lab Closure, we also terminated the laboratory lease in Oxford, United Kingdom with the lease term set to expire on December 31, 2021. As of June 30, 2021, we continued to use the space for storage of property and equipment. As of June 30, 2021, our total future minimum lease commitments were $5.6 million, of which $0.9 million is due during the remainder of 2021.

Cash flows

Comparison of Six Months Ended June 30, 2021 to Six Months Ended June 30, 2020

The following table summarizes our cash flows for the six months ended June 30, 2021, and 2020 (in thousands):

	Six Months Ended June 30,	
	2021	**2020**
Net cash used in operating activities	$ (6,625)	$ (23,562)
Net cash (used in) provided by investing activities	(72,188)	25,515
Net cash (used in) provided by financing activities	(38,460)	8,801
Effect of exchange rates on cash, cash equivalents and restricted cash	(3)	(18)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (117,276)	$ 10,736

Cash flows from operating activities

Cash used in operating activities for the six months ended June 30, 2021 was $6.6 million, which was primarily attributable to a net loss of $22.8 million and was partially offset by a net increase in our operating assets and liabilities of $4.1 million, non-cash stock-based compensation expense of $8.0 million, non-cash loss on extinguishment of debt, net of $1.6 million, non-cash depreciation and amortization of $1.4 million, non-cash provision for excess and obsolete inventory of $0.4 million, and non-cash amortization of debt issuance costs, discounts and premiums of $0.3 million. The net increase in our operating assets and liabilities was primarily due to the $3.9 million decrease in accounts receivable and a $2.5 million increase in deferred revenue. These changes were partially offset by a $0.9 million decrease in accrued and other liabilities, the payment of paid-in-kind interest on extinguishment of debt of $0.8 million, and a $0.6 million increase in prepaid expenses and other current assets.

Cash used in operating activities for the six months ended June 30, 2020 was $23.6 million, which was primarily attributable to a net loss of $36.6 million and a net decrease in our operating assets and liabilities of $1.6 million, which were partially offset by non-cash stock-based compensation expense of $6.7 million, non-cash change in fair value of the compound derivative liability of $4.8 million, non-cash depreciation and amortization of $1.4 million, non-cash amortization of debt issuance costs, discounts, and premiums of $1.3 million, and non-cash provision for excess and obsolete inventory of $0.4 million. The net decrease in our operating assets and liabilities was primarily due to the $2.3 million increase in accounts receivable and a $2.1 million increase in inventory. These changes were offset by a $1.8 million increase in accounts payable and a $1.0 million increase in deferred revenue.

Cash flows from investing activities

Cash used in investing activities for the six months ended June 30, 2021 was $72.2 million, consisting of $71.2 million for the purchase of available-for-sale securities, net of proceeds from sales and maturities of available-for-sale securities, and $1.0 million for the purchase of property and equipment, net of proceeds from the sale of property and equipment.

Cash provided by investing activities for the six months ended June 30, 2020 was $25.5 million, consisting of $26.0 million from sales and maturities of available-for-sale securities, net of amounts related to purchases of available-for-sale securities, offset by $0.5 million for the purchase of property and equipment.

Cash flows from financing activities

Cash used in financing activities for the six months ended June 30, 2021 was $38.5 million, consisting of the $36.5 million repayment of the Amended and Restated Credit Agreement and the payment of $4.7 million of deferred transaction costs related to the Business Combination, offset by $2.7 million in proceeds from the exercise of options to purchase our common stock.

Cash provided by financing activities for the six months ended June 30, 2020 was $8.8 million, consisting of $5.0 million in proceeds related to the Simple Agreement for Future Equity ("*SAFE*"), $3.5 million in proceeds from the PPP loan, and $0.3 million in proceeds from the exercise of options to purchase our common stock.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of the consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, costs, expenses and related disclosures. We evaluate our estimates and judgments on an on-going basis. We base our estimates on current facts, historical and anticipated results, trends, and other relevant assumptions that we believe are reasonable under the circumstances. Actual results could differ from these estimates, and such differences could be material to the Company's consolidated financial position and results of operations. Within the context of these critical accounting policies, we are not currently aware of any reasonably likely event that would result in materially different amounts being reported.

While our significant accounting policies are described in more detail in Note 2 of our consolidated financial statements and condensed consolidated financial statements, included in the Proxy Statement/Prospectus incorporated herein by reference or included elsewhere in this Form 8-K, we believe that the following accounting policies are those most critical as they require difficult, subjective, and/or complex judgements and estimates used in the preparation of our consolidated financial statements.

Revenue recognition

We recognize revenue from sales to customers under ASC 606, *Revenue from Contracts with Customers* ("*ASC 606*"). ASC 606 provides a five-step model for recognizing revenue 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.

We recognize revenue when or as control of promised goods or services is transferred to the customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Sales, value add, and other taxes collected concurrent with revenue-producing activities are excluded from revenue and products are sold without the right of return.

Payment terms may vary by customer, are based on customary commercial terms, and are generally less than one year. We do not adjust revenue for the effects of a significant financing component for contracts where the period between the transfer of the goods or services and collection is one year or less. We expense incremental costs to obtain a contract as incurred since the amortization period of the asset that would otherwise be recognized is one year or less.

Assay services revenue

We generate assay services revenue primarily from the sale of SomaScan® services. SomaScan® service revenue is derived from performing the SomaScan® assay on customer samples to generate data on protein biomarkers. Revenue from SomaScan® services is recognized at the time the analysis data or report is delivered to the customer, which is when control has been transferred to the customer. SomaScan® services are sold at a fixed price per sample without any volume discounts, rebates or refunds.

The delivery of each assay data report is a separate performance obligation. For arrangements with multiple performance obligations, the transaction price must be allocated to each performance obligation based on its relative standalone selling price. When assay services are included with other products or services within a customer contract, judgment is required to determine whether the promises are distinct or should be combined and to determine the transaction price allocation and standalone selling price. Standalone selling price is primarily determined based on amounts invoiced to customers in observable transactions. Standalone selling price varies depending on customer size, volume and contract length.

Product revenue

Product revenue primarily consists of kit sales to customers who have deployed the assay in their own laboratories. We receive a fixed price per kit and revenue from product sales is recognized upon transfer of control to the customer. Our principal terms of sale are freight on board ("*FOB*") shipping point and as such, we transfer control and record revenue for product sales upon shipment. Shipping and handling costs billed to customers are included in product revenue in the consolidated statements of operations and comprehensive loss.

Collaboration revenue

We provide research and development services that are accounted for in accordance with ASC 808, *Collaborative Arrangements*, because both parties are active participants and are exposed to significant risks and rewards depending on the activity's commercial failure or success. The most critical judgments used to estimate revenue from collaborative arrangements include the determination of units of account within the scope of ASC 606, the number of distinct performance obligations, estimation of transaction price including allocation to the identified performance obligations, and determination of the pattern of recognition.

Other revenue

Other revenue includes royalty revenue and revenue received from research grants. We recognize royalty revenue for fees paid by customers in return for the exclusive license to make, use or sell certain licensed products in certain geographic areas. We recognize revenue for a sales or usage-based royalty promised in exchange for a license of intellectual property when the later of the following events occurs: (i) the subsequent sale or usage occurs, or (ii) the performance obligation to which some or all of the sales-based or usage-based royalty has been satisfied. As such, revenue is recognized in the period in which the subsequent sale or usage has occurred.

Grant revenue represents funding under cost reimbursement programs from government agencies and non-profit foundations for qualified research and development activities performed by the Company. For efforts performed under these grant agreements, our policy is to recognize revenue when it is reasonably assured that the grant funding will be received as evidenced through the existence of a grant arrangement, amounts eligible for reimbursement are determinable and have been incurred, the applicable conditions under the grant arrangements have been met, and collectability of amounts due is reasonably assured. The classification of costs incurred related to grants is based on the nature of the activities provided by the Company. Grant revenue is recognized when the related costs are incurred and recorded in other revenue in the consolidated statements of operations and comprehensive loss.

Inventory

Inventory is stated at the lower of cost or net realizable value on a first-in, first-out basis. Cost is determined using a standard cost system, whereby the standard costs are updated periodically to reflect current costs. The Company estimates the recoverability of inventory by referencing estimates of future demands and product life cycles, including expiration. The Company periodically analyzes its inventory levels to identify inventory that may expire prior to expected usage, no longer meets quality specifications, or has a cost basis in excess of its estimated realizable value and records a charge to cost of revenue for such inventory as appropriate. In some cases, we have determined a certain portion of inventories to be in excess or obsolete. In those cases, we write down the value of those inventories to their net realizable value based upon judgement and estimates about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required. Our excess and obsolete inventory reserve may vary based upon judgments related to evolution of our products and services, new technologies, emerging competitors, and change in customer buying patterns. Direct and indirect manufacturing costs incurred during research and development activities are expensed to research and development as consumed. Judgment is required in determining the value of inventory that is not expected to be used in our assay services within 12 months of the current reporting period and is recorded as non-current inventory on the consolidated balance sheets.

Stock-based compensation

The Company incurs stock-based compensation expense related to stock options, and we recognize stock-based employee compensation, net of an estimated forfeiture rate over the employee's requisite service period, which is generally the vesting period, on a straight-line basis. We utilize the Black-Scholes valuation model for estimating the fair value of stock options granted. The fair value of each option is estimated on the date of grant. The model assumptions include expected volatility, term, dividend yield and the risk-free interest rate. Assumptions used in applying the Black-Scholes option-pricing model to determine the estimated fair value of stock options granted are complex, involve inherent uncertainties and the application of judgment. As a result, if factors or expected outcomes change and significantly different assumptions or estimates are used, the Company's equity-based compensation could be materially different.

Set forth below are the assumptions used in valuing the stock options granted and a discussion of the Company's methodology for developing each of the assumptions used:

- Expected dividend yield — The Company does not pay regular dividends on its common stock and does not anticipate paying any dividends in the foreseeable future. Therefore, the Company used an expected dividend yield of zero in the option valuation model.

- Expected volatility — Volatility is a measure of the amount by which a financial variable, such as share price, has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The Company analyzes the volatility used by similar public companies at a similar stage of development to estimate expected volatility. The comparable companies are chosen based on their similar size, stage in the life cycle or area of specialty.

- Risk-free interest rate — We use a range of U.S. Treasury rates with a term that most closely resembles the expected life of the option as of the date of which the option was granted.

- Expected average life of options — The expected life assumption is the expected time to exercise. The Company uses a simplified method to develop this assumption, which uses the average of the vesting period and the contractual terms.

Determination of fair value of common stock

The estimated fair value of the common stock underlying our stock options was determined at each grant date by our Board of Directors with assistance of third-party valuation specialists. All options to purchase shares of our common stock are intended to be exercisable at a price per share not less than the per-share fair value of our common stock underlying those options on the date of grant.

As there is no public market for our common stock to date, on each grant date, we develop an estimate of the fair value of our common stock based on the information known to us on the date of grant, upon a review of any recent events and their potential impact on the estimated fair value per share of the common stock, and in part on input from a third-party valuation firm. As provided in Section 409A of the Code, we generally rely on our valuations for up to 12 months unless we experience a material event that would have affected the estimated fair value per common share.

Our valuations of our common stock were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation ("Practice Aid"). To determine the fair value of our common stock, we utilized the probability-weighted expected return method and incorporated valuations under different scenarios and methods, included the option pricing, or "backsolve" method, which estimates the fair value of our company by reference to the value and preferences of our last round of financing, as well as our capitalization.

The assumptions used to determine the estimated fair value of our common stock were based on numerous objective and subjective factors, combined with management's judgment, including:

- the progress of our research and development efforts, our stage of development, and business strategy;
- the rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- the prices at which we sold shares of our redeemable convertible preferred stock;
- our financial condition and operating results, including our levels of available capital resources;
- equity market conditions affecting comparable public companies; and
- general U.S. market conditions and the lack of marketability of our common stock

Once a public trading market for our common stock has been established in connection with the completion of the reverse recapitalization, it will no longer be necessary for the SomaLogic Board to estimate the fair value of our common stock in connection with our accounting for granted stock options and other such awards we may grant, as the fair value of our common stock will be determined based on the quoted market price of our common stock.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 in our annual consolidated financial statements and interim condensed consolidated financial statements included in the Proxy Statement/Prospectus incorporated herein by reference or included elsewhere in this Form 8-K.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of interest rate fluctuations.

Interest rate sensitivity

Our cash, cash equivalents, and investments as of June 30, 2021 and December 31, 2020 consisted of $158.2 million and $204.9 million, respectively, in money market funds, commercial paper, corporate bonds, U.S. Treasuries, asset-backed securities, and international government securities. Such interest-earning instruments carry a degree of interest rate risk. The goals of our investment policy are liquidity and capital preservation; we do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate exposure. We believe that we do not have any material exposure to changes in the fair value of these assets as a result of changes in interest rates due to the short-term nature of our cash, cash equivalents, and investments.

Exhibit 99.3

SomaLogic, Inc.
Condensed Consolidated Balance Sheets
(unaudited)

(dollars in thousands, except for share and per share amounts)	As of June 30, 2021	As of December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 47,138	$ 164,944
Investments	111,041	39,954
Accounts receivable, net	13,566	17,449
Inventory	7,662	7,020
Deferred costs of services	1,721	1,450
Prepaid expenses and other current assets	1,728	1,158
Total current assets	182,856	231,975
Non-current inventory	4,888	6,024
Property and equipment, net	4,400	3,913
Other long-term assets	6,279	378
Total assets	$ 198,423	$ 242,290
Liabilities, redeemable convertible preferred stock and stockholders' deficit		
Current liabilities:		
Accounts payable	8,831	7,064
Accrued liabilities	5,604	6,310
Deferred revenue	4,789	1,762
Deferred rent	54	238
Current portion of convertible debt	1,937	-
Current portion of long-term debt	-	2,423
Total current liabilities	21,215	17,797
Convertible debt	-	1,926
Long-term debt	-	32,326
Deferred revenue, net of current portion	2,890	3,415
Other long-term liabilities	459	909
Total liabilities	24,564	56,373
Commitments and contingencies (Note 8)		
Redeemable convertible preferred stock, $0.01 par value; 50,000,000 authorized at June 30, 2021 and December 31, 2020; 31,485,973 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 par 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 par 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; 74,686,484 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	(408)	(352)
Additional paid-in capital	405,583	394,786
Accumulated other comprehensive income (loss)	7	(2)
Accumulated deficit	(434,187)	(411,366)
Total stockholders' deficit	(28,257)	(16,199)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 198,423	$ 242,290

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

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	$ 30,809	$ 10,788
Product revenue	655	689
Collaboration revenue	1,525	957
Other revenue	5,651	999
Total revenue	38,640	13,433
Operating expenses:		
Cost of assay services revenue	13,811	7,133
Cost of product revenue	419	334
Research and development	16,708	16,296
Selling, general and administrative	27,642	18,418
Total operating expenses	58,580	42,181
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	(1,630)	-
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	(4)
Total other comprehensive income (loss)	9	(24)
Comprehensive loss	$ (22,812)	$ (36,642)
Net loss per share, basic and diluted	$ (0.31)	$ (0.50)
Weighted-average shares used to compute net loss per share, basic and diluted	73,874,501	72,605,744

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

SomaLogic, Inc.
Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' (Deficit) Equity
(unaudited)

(dollars in thousands, except share amounts)	Redeemable Convertible Preferred Stock		Class A and Class B Common Stock		Treasury Stock	Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount	Amount	Capital	Income (Loss)	Deficit	Equity
Balance at December 31, 2019	-	$ -	72,657,092	$ 727	$ (347)	$ 378,364	$ 27	$ (358,351)	$ 20,420
Issuance of Class B common stock upon exercise of options	-	-	203,417	2	-	283	-	-	285
Issuance of Class B common stock for services	-	-	88,000	1	-	152	-	-	153
Stock-based compensation	-	-	-	-	-	6,594	-	-	6,594
Surrender of shares in cashless exercise	-	-	-	-	(5)	-	-	-	(5)
Other comprehensive loss	-	-	-	-	-	-	(24)	-	(24)
Other	-	-	-	-	-	148	-	-	148
Net loss	-	-	-	-	-	-	-	(36,618)	(36,618)
Balance at June 30, 2020	-	$ -	72,948,509	$ 730	$ (352)	$ 385,541	$ 3	$ (394,969)	$ (9,047)
Balance at December 31, 2020	31,485,973	$202,116	73,481,228	$ 735	$ (352)	$ 394,786	$ (2)	$ (411,366)	$ (16,199)
Issuance of Class B common stock upon exercise of options	-	-	1,142,426	11	-	2,781	-	-	2,792
Issuance of Class B common stock for services	-	-	194,174	2	-	262	-	-	264
Stock-based compensation	-	-	-	-	-	7,754	-	-	7,754
Surrender of shares in cashless exercise	-	-	-	-	(56)	-	-	-	(56)
Other comprehensive income	-	-	-	-	-	-	9	-	9
Net loss	-	-	-	-	-	-	-	(22,821)	(22,821)
Balance at June 30, 2021	31,485,973	$202,116	74,817,828	$ 748	$ (408)	$ 405,583	$ 7	$ (434,187)	$ (28,257)

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

SomaLogic, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

(dollars in thousands)	Six Months Ended June 30, 2021	2020
Operating activities		
Net loss	$ (22,821)	$ (36,618)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	1,377	1,359
Amortization of debt issuance costs, discounts and premiums	258	1,334
Amortization of premium (accretion of discount) on available-for-sale securities, net	155	(59)
Loss on extinguishment of debt, net	1,630	-
Change in fair value of compound derivative liability	7	4,822
Provision for excess and obsolete inventory	385	432
(Recovery) provision for doubtful accounts	(36)	17
Stock-based compensation expense	8,016	6,746
Paid-in-kind interest	165	4
Other	7	60
Changes in operating assets and liabilities:		
Accounts receivable	3,919	(2,310)
Inventory	109	(2,058)
Deferred costs of services	(271)	(57)
Prepaid expenses and other current assets	(570)	(137)
Other long-term assets	-	(15)
Accounts payable	172	1,838
Deferred revenue	2,502	1,037
Accrued and other liabilities	(877)	43
Payment of paid-in-kind interest on extinguishment of debt	(752)	-
Net cash used in operating activities	(6,625)	(23,562)
Investing activities		
Proceeds from sale of property and equipment	8	-
Purchase of property and equipment	(962)	(520)
Purchase of available-for-sale securities	(102,106)	(5,738)
Proceeds from sales and maturities of available-for-sale securities	30,872	31,773
Net cash (used in) provided by investing activities	(72,188)	25,515
Financing activities		
Repayment of long-term debt	(36,512)	-
Payment of deferred transaction costs	(4,686)	-
Proceeds from SAFE agreement	-	5,000
Proceeds from Paycheck Protection Program loan	-	3,520
Proceeds from exercise of stock options	2,738	281
Net cash (used in) provided by financing activities	(38,460)	8,801
Effect of exchange rates on cash, cash equivalents and restricted cash	(3)	(18)
Net (decrease) increase in cash, cash equivalents and restricted cash	(117,276)	10,736
Cash, cash equivalents and restricted cash at beginning of period	165,194	14,310
Cash, cash equivalents and restricted cash at end of period	$ 47,918	$ 25,046
Supplemental cash flow information:		
Cash paid for interest	$ 1,627	$ 1,829
Supplemental disclosure of non-cash investing and financing activities:		
Purchase of property and equipment included in accounts payable	$ 910	$ 71
Surrender of shares in cashless exercise	56	5
Amendment fee related to extinguishment of debt financed through additional principal	-	2,500
Issuance of Class B common stock for services	262	152
Deferred transaction costs included in accounts payable	685	-
Forgiveness of Paycheck Protection Program loan and accrued interest	3,561	-
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 47,138	$ 24,796
Restricted cash included in other long-term assets	780	250
Total cash, cash equivalents and restricted cash at end of period	$ 47,918	$ 25,046

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

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Description of Business and Basis of Presentation

Description of Business

SomaLogic, Inc. ("SomaLogic", the "Company", "we", "us", and "our") was incorporated in the state of Delaware on October 13, 1999 and is headquartered in Boulder, Colorado. The Company operates as a protein biomarker discovery and clinical diagnostics company. We develop slow-offrate modified aptamers ("SOMAmers®"), which are modified nucleic acid-based protein binding reagents that are specific for their cognate protein, and offer proprietary SomaScan® services, which provide multiplex protein detection and quantification of protein levels in complex biological samples. Our SOMAmers®/SomaScan® technology enables researchers to analyze various types of biological samples for protein biomarker signatures, which can be utilized in drug discovery and development. Biomarker discoveries from SomaScan® can lead to diagnostic applications in various areas of diseases including cardiovascular and metabolic disease, nonalcoholic steatohepatitis, and wellness, among others.

The Company is subject to certain risks and uncertainties including, but not limited to, those associated with the ability to meet obligations, continuing losses, negative cash flows from operations, fluctuations in operating results, funding expansion, strategic alliances, managing rapid growth and expansion, suppliers, regulatory issues, competition, technology trends, and evolving industry standards.

On March 28, 2021, the Company entered into a merger agreement with CM Life Sciences II Inc. ("CMLS II"), a Special Purpose Acquisition Company ("SPAC") and its wholly owned subsidiary, S-Craft Merger Sub, Inc. ("Merger Sub") (the "Merger Agreement"). Pursuant to the terms of the Merger Agreement, on September 1, 2021 (the "Closing Date"), (i) SomaLogic ("Old SomaLogic") changed its name to "SomaLogic Operating Co., Inc.", (ii) CMLS II changed its name to "SomaLogic, Inc." ("New SomaLogic", which represents "SomaLogic" or the "Company" following the consummation of the Business Combination), and (iii) Merger Sub merged with and into Old SomaLogic, with Old SomaLogic surviving the Merger as a wholly owned subsidiary of New SomaLogic (the "Business Combination").

Basis of Presentation

The condensed consolidated interim financial statements and accompanying notes include the accounts of the Company and its wholly owned immaterial foreign subsidiary. All intercompany transactions and balances have been eliminated in consolidation. The accompanying condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASUs") of the Financial Accounting Standards Board ("FASB").

Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2020 and the related notes, which provide a more complete discussion of the Company's accounting policies and certain other information. The December 31, 2020 condensed consolidated balance sheet was derived from the Company's audited financial statements. These unaudited condensed consolidated interim financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's condensed consolidated financial position as of June 30, 2021 and its results of operations and cash flows for the six months ended June 30, 2021 and 2020. The results of operations for the six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the year ending December 31, 2021 or for any other future annual or interim period.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Actual results could differ from those estimates. Significant estimates and assumptions reflected in these financial statements include, but are not limited to, revenue recognition, inventory valuation, compound derivative liability valuation and the valuation of stock-based compensation awards. We base our estimates on current facts, historical and anticipated results, trends, and other relevant assumptions that we believe are reasonable under the circumstances. Actual results could differ from these estimates, and such differences could be material to the Company's consolidated financial position and results of operations.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable. Our cash and cash equivalents are deposited with high-quality financial institutions. Deposits at these institutions may, at times, exceed federally insured limits.

Significant customers are those that represent more than 10% of the Company's total revenues or gross accounts receivable balances for the periods and as of each balance sheet date presented. For each significant customer, revenue as a percentage of total revenues and gross accounts receivable as a percentage of total gross accounts receivable as of the periods presented were as follows:

	Revenue		Accounts Receivable	
	Six Months Ended June 30,		As of June 30,	As of December 31,
	2021	2020	2021	2020
Customer A	22%	47%	18%	26%
Customer B	25%	*	*	11%
Customer C	13%	*	37%	25%
Customer D	*	*	*	16%

* less than 10%

Customers outside of the United States collectively represented 3% and 6% of the Company's gross accounts receivable balance as of June 30, 2021 and December 31, 2020, respectively. Substantially all of the Company's long-lived assets are located within the United States.

Certain components included in our products require customization and are obtained from a single source or a limited number of suppliers.

Impact of the COVID-19 Pandemic

We are subject to ongoing uncertainty concerning the Coronavirus Disease 2019 (COVID-19) pandemic, including its length and severity and its effect on our business. The COVID-19 pandemic resulted in delays in our fundraising efforts and revenue. In response, we took aggressive actions to reduce spend and contain costs including implementing a hiring freeze, eliminating travel, executing early lease terminations for two administrative buildings in Boulder, Colorado, as well as closing our Oxford, United Kingdom laboratory ("Lab Closure"). The Company experienced notable shifts in research funding in the pharmaceutical industry to COVID-19 research, largely delaying our revenue from the first half of 2020 to the second half of 2020. The Company modified its Amended and Restated Credit Agreement in the second and fourth quarters of 2020 in order to avoid noncompliance with financial and nonfinancial covenants (see Note 9).

The COVID-19 pandemic continues to be dynamic and near-term challenges across the economy remain. We expect continued volatility and unpredictability related to the impact of COVID-19 on our business results. We continue to actively monitor the pandemic and we will continue to take appropriate steps to mitigate the adverse impacts on our business posed by the on-going spread of COVID-19.

Inventory

Inventory is stated at the lower of cost (on a first-in, first-out basis) or net realizable value. Cost is determined using a standard cost system, whereby the standard costs are updated periodically to reflect current costs. The Company estimates the recoverability of inventory by referencing estimates of future demands and product life cycles, including expiration. The Company periodically analyzes its inventory levels to identify inventory that may expire prior to expected usage, no longer meets quality specifications, or has a cost basis in excess of its estimated net realizable value and records a charge to cost of revenue for such inventory as appropriate. Direct and indirect manufacturing costs incurred during research and development activities are expensed to research and development as consumed. The value of inventory that is not expected to be used within 12 months of the balance sheet date is classified as non-current inventory in the accompanying consolidated balance sheets.

Deferred Transaction Costs

The Company capitalized certain legal, audit, accounting and other third-party fees that are directly associated with the Business Combination as deferred financing costs until the Business Combination is completed. After completion of the Business Combination, these fees will be recorded as a reduction to additional paid-in capital generated as a result of the Business Combination. Should the Business Combination not be completed, the deferred financing costs will be expensed immediately as a charge to operating expenses in the condensed consolidated statements of operations and comprehensive loss. The Company classified $5.4 million of deferred transaction costs related to the Business Combination as of June 30, 2021 within other long-term assets in the condensed consolidated balance sheet.

Revenue Recognition

The Company recognizes revenue from sales to customers under ASC 606, *Revenue from Contracts with Customers* (“ASC 606”). ASC 606 provides a five-step model for recognizing revenue 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.

The Company recognizes revenue when or as control of promised goods or services is transferred to the Company’s customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Sales, value add, and other taxes collected concurrent with revenue-producing activities are excluded from revenue and products are sold without the right of return.

Payment terms may vary by customer, are based on customary commercial terms, and are generally less than one year. The Company does not adjust revenue for the effects of a significant financing component for contracts where the period between the transfer of the good or service and collection is one year or less. The Company expenses incremental costs to obtain a contract when incurred since the amortization period of the asset that would otherwise be recognized is one year or less.

Assay Services Revenue

The Company generates assay services revenue primarily from the sale of SomaScan® services. SomaScan® service revenue is derived from performing the SomaScan® assay on customer samples to generate data on protein biomarkers. Revenue from SomaScan® services is recognized at the time the analysis data or report is delivered to the customer, which is when control has been transferred to the customer. SomaScan® services are sold at a fixed price per sample without any volume discounts, rebates or refunds.

The delivery of each assay data report is a separate performance obligation. For arrangements with multiple performance obligations, the transaction price must be allocated to each performance obligation based on its relative standalone selling price. Judgment is required to determine the standalone selling price for each distinct performance obligation as there are few directly comparable products in the market and factors such as customer size are factored into the determination of selling price. We determine standalone selling prices based on amounts invoiced to customers in observable transactions.

Product Revenue

Product revenue primarily consists of kit sales to customers who assay samples in their own laboratories. The Company receives a fixed price per kit and revenue from product sales is recognized upon transfer of control to the customer. The principal terms of sale are freight on board ("FOB") shipping point and as such, the Company transfers control and records revenue for product sales upon shipment. Shipping and handling costs billed to customers are included in product revenue in the consolidated statements of operations and comprehensive loss.

Collaboration Revenue

In July 2011, NEC Corporation ("NEC") and the Company entered into a Strategic Alliance Agreement (the "SAA") to develop a professional software tool to enable SomaScan® customers to easily access and interpret the highly multiplexed proteomic data generated by SomaLogic's SomaScan® assay technology in the United States. To support this development, NEC made an upfront payment of $12.0 million and SomaLogic agreed to pay NEC a perpetual royalty on certain SomaScan® revenues. This agreement includes a clause whereby if there is a material breach of the contract or change in control of the Company, the Company may be required to pay a fee to terminate the agreement.

The Company determined that the SAA met the criteria set forth in ASC 808, Collaborative Arrangements, because both parties were active participants and were exposed to significant risks and rewards dependent on commercial failure or success. The Company recorded the upfront payment as deferred revenue to be recognized over the period of performance of 15 years. The revenue was recorded in collaboration revenue in the consolidated statements of operations and comprehensive loss.

In March 2020, NEC and the Company mutually terminated the SAA and concurrently the Company and NEC Solution Innovators, Ltd. ("NES"), a wholly owned subsidiary of NEC, entered into a new arrangement, the Joint Development and Commercialization Agreement (the "JDCA"), to develop and commercialize SomaScan® services in Japan. NES agreed to make annual payments of $2 million for five years, for a total of $10.0 million, in exchange for research and development activities, as described below. The Company determined the JDCA should be accounted for as a modification of the SAA. Therefore, the remaining SAA deferred revenue balance as of the date of the modification was included as consideration under the JDCA resulting in total consideration of $15.3 million for research and development activities. We determined that this arrangement also meets the criteria set forth in ASC 808. The JDCA contains three separate performance obligations: (i) research and development activities, (ii) assay services, and (iii) a 10-year exclusive license of the Company's intellectual property.

(i) Research and Development Activities

The Company determined that NES is not a customer with respect to the research and development activities associated with the collaboration arrangement under ASC 808. The Company's efforts related to the research and development activities are incurred consistently throughout the performance period. As a result, the Company recognizes revenue from these activities over time on a straight-line basis and records revenue in collaboration revenue in the consolidated statements of operations and comprehensive loss.

(ii) Assay Services

The Company determined that NES is a customer for the assay services performance obligation, which should be accounted for using the criteria under ASC 606. The Company receives a fixed fee (standalone selling price) per sample in exchange for assaying samples, which is a service performed for other customers in the ordinary course of business. This performance obligation is recognized at a point in time when the assay data report is delivered to the customer and recorded in assay services revenue in the consolidated statements of operations and comprehensive loss.

(iii) License of Intellectual Property

The Company determined that NES is a customer for the license performance obligation, which should be accounted for using the criteria under ASC 606. The Company receives royalties based on NES' net sales and determined the allocation of royalties solely to this performance obligation is consistent with the objectives in ASC 606. This performance obligation was satisfied at the beginning of the license term. Subject to the sales and usage-based royalty exception, revenue is recognized in the period in which the subsequent sale or usage has occurred. Royalties are recorded in other revenue in the consolidated statements of operations and comprehensive loss.

Other Revenue

Other revenue includes royalty revenue and revenue received from research grants. The Company recognizes royalty revenue for fees paid by customers in return for the exclusive license to make, use or sell certain licensed products in certain geographic areas. These fees are equivalent to a percentage of the customer's related revenues. The Company recognizes revenue for sales-based or usage-based royalties promised in exchange for a license of intellectual property when the later of the following events occurs: (i) the subsequent sale or usage occurs, or (ii) the performance obligation to which some or all of the sales-based or usage-based royalty has been satisfied. As such, revenue is recognized in the period in which the subsequent sale or usage has occurred.

In June 2008, the Company and New England Biolabs, Inc. ("NEB") entered into an exclusive licensing agreement, whereby the Company provides a license to use certain proprietary information and know-how relating to its aptamer technology to make and use commercial products. In exchange, the Company receives royalties from NEB for these products. The Company recognized royalties of approximately $5.0 million and $1.0 million for the six months ended June 30, 2021 and 2020, respectively.

Grant revenue represents funding under cost reimbursement programs from government agencies and non-profit foundations for qualified research and development activities performed by the Company. The Company recognizes grant revenue when it is reasonably assured that the grant funding will be received as evidenced through the existence of a grant arrangement, amounts eligible for reimbursement are determinable and have been incurred, the applicable conditions under the grant arrangements have been met, and collectability of amounts due is reasonably assured. The classification of costs incurred related to grants is based on the nature of the activities performed by the Company. Grant revenue is recognized when the related costs are incurred and recorded in other revenue in the consolidated statements of operations and comprehensive loss.

Segment Information

The Company has one operating segment. The Company's chief operating decision maker (the "CODM") role is performed by the Company's Chief Executive Officer. The CODM manages the Company's operations on a consolidated basis for purposes of allocating resources and assessing performance. Substantially all of the Company's operations and decision-making functions are located in the United States.

Recent Accounting Pronouncements

The Company is considered to be an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has elected to avail itself of this extended transition period and, as a result, the Company will not be required to adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies so long as the Company remains an emerging growth company.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) — Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions related to contract modifications and hedge accounting to address the transitions from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The guidance permits an entity to consider contract modification due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination. The standard is effective upon issuance and can be applied as of March 12, 2020 through December 31, 2022. The Company does not expect the adoption of the standard to have a material impact on its consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which removes certain exceptions to the general principles of ASC 740 as part of an overall simplification initiative. The effective date for the standard is for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact the standard may have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which sets forth a "current expected credit loss" (CECL) model that requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost and applies to some off-balance sheet credit exposures. In November 2019, the FASB issued ASU 2019-10, *Financial Instrum*ents *— Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which extends the effective date of ASU 2016-13 for non-public business entities to fiscal years beginning after December 15, 2022 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize assets and liabilities for the rights and obligations created by most leases on their balance sheet. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which extended the effective date of ASU 2016-02 for non-public business entities to fiscal years beginning after December 31, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company anticipates that it will elect to adopt the practical expedient to not separate lease and non-lease components. The Company also anticipates that it will elect to adopt the package of practical expedients, which allows it to not reassess: 1) whether any expired or existing contracts are or contain leases, 2) the lease classification for any expired or existing leases and 3) initial direct costs for any existing leases. The Company will elect to not recognize on the balance sheet leases with terms of 12 months or less. For these short-term leases, the Company will recognize the lease payments in profit or loss on a straight-line basis over the lease term and any variable lease payments in the period in which the obligation for those payments is incurred. The Company is currently evaluating the impact the standard may have on its consolidated financial statements and related disclosures.

3. Revenue

The following table provides information about disaggregated revenue by product line (in thousands):

	Six Months Ended June 30,	
	2021	**2020**
Assay services revenue	$ 30,809	$ 10,788
Product revenue	655	689
Collaboration revenue	1,525	957
Other revenue:		
Royalties	5,050	981
Other	601	18
Total other revenue	5,651	999
Total revenue	$ 38,640	$ 13,433

Contract Balances and Remaining Performance Obligations

As of June 30, 2021 and December 31, 2020, deferred revenue was $7.7 million and $5.2 million, respectively. As of June 30, 2021 and December 31, 2020, the portion of deferred revenue related to collaboration revenue was $5.4 million and $5.0 million, respectively, which is being recognized on a straight-line basis over the period of performance.

A summary of the change in contract liabilities is as follows (in thousands):

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
Balance at beginning of period	$ 5,177	$ 5,469
Recognition of revenue included in balance at beginning of period	(1,236)	(1,003)
Revenue deferred during the period, net of revenue recognized	3,738	711
Balance at end of period	$ 7,679	$ 5,177

4. Fair Value Measurement and Fair Value of Financial Instruments

The following tables set forth the Company's financial assets measured at fair value on a recurring basis and the level of inputs used in such measurements as of June 30, 2021 and December 31, 2020 (in thousands):

As of June 30, 2021	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Aggregate Fair Value	Fair Value Level
Cash and cash equivalents:					
Cash	$ 15,035	$ -	$ -	$ 15,035	Level 1
Money market funds	25,948	-	-	25,948	Level 1
Commercial paper	6,155	-	-	6,155	Level 2
Total cash and cash equivalents	47,138	-	-	47,138	
Investments:					
Commercial paper	87,076	6	(1)	87,081	Level 2
U.S. Treasuries	4,525	-	-	4,525	Level 2
Asset-backed securities	8,136	1	(1)	8,136	Level 2
Corporate bonds	9,299	-	(1)	9,298	Level 2
International government securities	2,001	-	-	2,001	Level 2
Total investments	111,037	7	(3)	111,041	
Total assets measured at fair value on a recurring basis	$ 158,175	$ 7	$ (3)	$ 158,179	

As of December 31, 2020	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Aggregate Fair Value	Fair Value Level
Cash and cash equivalents:					
Cash	$ 138,977	$ -	$ -	$ 138,977	Level 1
Money market funds	23,568	-	-	23,568	Level 1
Commercial paper	2,399	-	-	2,399	Level 2
Total cash and cash equivalents	164,944	-	-	164,944	
Investments:					
Commercial paper	33,863	2	(2)	33,863	Level 2
Corporate bonds	6,093	-	(2)	6,091	Level 2
Total investments	39,956	2	(4)	39,954	
Total assets measured at fair value on a recurring basis	$ 204,900	$ 2	$ (4)	$ 204,898	

All of the U.S. Treasury securities, asset-backed debt securities, commercial paper, corporate bonds, and international government securities designated as available-for-sale securities have an effective maturity date that is less than one year from the respective balance sheet date, and accordingly, have been classified as current in the condensed consolidated balance sheets.

The Company classifies its investments in money market funds within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The Company classifies its commercial paper, corporate bonds, U.S. Treasuries, asset-backed securities, and international government securities as Level 2 and obtains the fair value from a third-party pricing service, which may use quoted market prices for identical or comparable instruments or model-driven valuations using observable market data or inputs corroborated by observable market data. There were no transfers between Levels 1, 2, or 3 for the periods presented.

As all of the Company's available-for-sale securities have been held for less than a year as of both June 30, 2021 and December 31, 2020, no security has been in an unrealized loss position for 12 months or greater. We evaluated our securities for other-than temporary impairment and considered the decline in market value for the securities to be primarily attributed to current economic and market conditions. It is not more likely than not that we will be required to sell the securities, and we do not intend to do so prior to the recovery of the amortized cost basis. Based on this analysis, the available-for-sale securities were not considered to be other-than-temporarily impaired as of June 30, 2021 and December 31, 2020.

The fair value of the compound derivative liability was approximately $0.4 million as of December 31, 2020 and is recorded in other long-term liabilities on the condensed consolidated balance sheet. We measured the compound derivative liability at each consolidated balance sheet date using a probability-weighted method with unobservable inputs, which are classified as Level 3 within the fair value hierarchy. The primary inputs for the probability-weighted valuation include the Company's credit spread, applicable market discount rates, estimated recovery rates and U.S. Treasury rates. The credit spread assumption was approximately 8% and the recovery rate was approximately 69% as of December 31, 2020.

Due to deteriorating economic conditions and delays in fundraising efforts during the COVID-19 pandemic in the second quarter of 2020, we restructured the Amended and Restated Credit Agreement on June 29, 2020 (see Note 9). We recorded an increase in the fair value of the compound derivative of $4.8 million immediately prior to the restructuring, which was recorded as interest expense in the accompanying condensed consolidated statement of operations and comprehensive loss. The amendment fee of $2.5 million and the present value of the additional interest of approximately $1.4 million were settled against the compound derivative liability.

On April 9, 2021, the Company repaid the Amended and Restated Credit Agreement in full and the fair value of the compound derivative liability was included in the net carrying amount of the debt used to determine the loss on debt extinguishment (see Note 9).

The fair value of the Convertible Debt was approximately $4.6 and $2.3 million as of June 30, 2021 and December 31, 2020, respectively, which is a Level 3 measurement based on the conversion value of the instrument (see Note 9).

5. Inventory

Inventory consisted of the following (in thousands):

	As of June 30, 2021	As of December 31, 2020
Raw materials	$ 12,316	$ 12,883
Finished goods	234	161
Total inventory	$ 12,550	$ 13,044
Inventory (current)	$ 7,662	$ 7,020
Non-current inventory	$ 4,888	$ 6,024

6. Property and Equipment

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

	As of June 30, 2021	As of December 31, 2020
Lab equipment	$ 9,747	$ 9,865
Computer equipment	1,418	1,402
Furniture and fixtures	947	947
Software	2,963	2,657
Leasehold improvements	2,099	3,539
Construction in progress	1,560	81
Total property and equipment, at cost	18,734	18,491
Less: Accumulated depreciation and amortization	(14,334)	(14,578)
Property and equipment, net	$ 4,400	$ 3,913

Depreciation expense was $1.1 million for the six months ended June 30, 2021 and 2020 and amortization expense was $0.3 million for the six months ended June 30, 2021 and 2020.

7. Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	As of June 30, 2021	As of December 31, 2020
Accrued compensation	$ 4,735	$ 5,378
Accrued charitable contributions	400	400
Accrued medical claims	323	307
Other	146	225
Total accrued liabilities	$ 5,604	$ 6,310

8. Commitments and Contingencies

Operating Leases

We have entered into various non-cancelable operating lease agreements for our current headquarters and laboratory facilities in Boulder, Colorado. In August 2015, the Company entered into a lease agreement for the Company's corporate headquarters with a lease term that expires in June 2023; however, in September 2020, we agreed to terminate the lease effective June 2021. In January 2017, the Company entered into a lease for additional office space that expires in August 2021. The Company does not currently have plans to extend this lease.

The Company announced the closure of its Oxford, United Kingdom laboratory on August 27, 2020 and is using the space for storage of property and equipment as of June 30, 2021. The related laboratory lease term is set to expire on December 31, 2021 and does not provide for early termination.

The Company also has operating leases for its research and development lab facility and operations lab facility in Boulder, Colorado. During the year ended December 31, 2020, the Company extended the lease term on both leases until February 2026 and December 2023, respectively. The laboratory leases include escalating rent payments and options to renew the leases. The Company had deposits of $0.8 million and $0.3 million classified as restricted cash and included in other long-term assets as of June 30, 2021 and December 31, 2020, respectively. The deposits are restricted from withdrawal and held by a bank in the form of collateral for an irrevocable standby letter of credit held as security for the lease of the Company's research and development facility.

Rent expense was approximately $0.9 million and $1.0 million for the six months ended June 30, 2021 and 2020, respectively.

As of June 30, 2021, future minimum commitments under the Company's non-cancelable operating leases are as follows (in thousands):

Year Ending December 31,	
Remainder of 2021	$ 872
2022	1,454
2023	1,497
2024	810
2025	834
Thereafter	143
Total future minimum lease payments	$ 5,610

SAFE Agreement

In December 2019, in conjunction with a revenue contract with a customer, the Company entered into a Simple Agreement for Future Equity (the "SAFE"). The SAFE agreement provided the customer with the right to purchase a SAFE for a fixed payment of $5.0 million that would convert into equity (variable number of shares based upon fair value at the date of issuance) upon certain specified fundraising events. The right to purchase the SAFE was contingent on the customer's approval of the Company's plan to move to the next version of our SomaScan® platform (the "Reversioning Plan"), which did not occur until January 2020. The obligation was classified as a liability and measured at fair value upon the customers' approval of the Reversioning Plan in January 2020. We received $5.0 million in cash and the customer was issued 737,463 Series A Preferred Stock (see Note 10), which effectively converted the liability into redeemable convertible preferred stock.

Legal Proceedings

We are subject to claims and assessments from time to time in the ordinary course of business. We will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. We are not currently party to any material legal proceedings in which a potential loss is probable or reasonably estimable.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

9. Convertible and Long-Term Debt

Convertible Debt

The Company has an unsecured convertible promissory note that was issued in March 2007, at par value, for an aggregate principal amount of $2.0 million (the "Convertible Debt"). In June 2017, the original maturity date for the Convertible Debt was extended to June 30, 2024 and the interest rate was amended to a fixed rate of 3.75%. The Company performed a two-step analysis in accordance with ASC 470-50, *Debt — Modification and Extinguishments*, and determined that the amendment should be accounted for as a modification because the present value of the cash flows under the terms of the modified agreement were not substantially different than the present value of the remaining cash flows under the terms of the original agreement and the change in the value of the conversion option was not substantially different than the carrying value of the Convertible Debt. The resulting impact was a reduction in the carrying amount of the Convertible Debt for $0.1 million and an offsetting impact to additional paid-in capital. The carrying amount of the Convertible Debt, net of the unamortized discount, was $1.9 million as of June 30, 2021 and December 31, 2020. Amortization of the discount was less than $0.1 million for the six months ended June 30, 2021 and 2020.

The Convertible Debt has a voluntary conversion feature that allows the holder, at its sole option, the right to request the Company to convert the principal, any accrued, but unpaid interest and any other unpaid amount of the obligation into our common stock or preferred stock. There is also an automatic conversion feature that permits the Convertible Debt to be settled in common stock or cash upon certain events. The number of shares of common stock that could be issued will be determined based on the total outstanding obligation divided by $3.72 and the number of shares of preferred stock that could be issued will be determined based on the total outstanding obligation divided by $5.87.

On March 30, 2021, the Company issued a notice of prepayment to the holder of the Convertible Debt stating the Company intends to prepay the full outstanding Convertible Debt obligation. The holder has the option to either request a conversion to equity pursuant to the Convertible Debt voluntary conversion provisions or accept the Company's prepayment. As a result, the Company reclassified the net carrying value of the Convertible Debt of $1.9 million from long-term liabilities to current liabilities as of June 30, 2021.

On July 9, 2021, the holder of the Convertible Debt converted the Convertible Debt into 682,070 shares of Class B common stock (refer to Note 16).

Interest expense on the Convertible Debt was less than $0.1 million for the six months ended June 30, 2021 and 2020.

Paycheck Protection Program ("PPP")

In April 2020, the Company received a loan in the aggregate amount of $3.5 million, pursuant to the Paycheck Protection Program (the "PPP"), established pursuant to the recently enacted Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and administered by the U.S. Small Business Administration. The PPP loan, which was in the form of a note dated April 13, 2020, matures on April 13, 2022 and bears interest at a rate of 0.98% per annum. All principal and interest payments are deferred until April 13, 2021.

Under the terms of the CARES Act, the Company could apply for and receive forgiveness for all or a portion of the loans granted under the PPP. Such forgiveness is determined, subject to limitations, based on the use of loan proceeds for certain permissible purposes as set forth in the PPP, including, but not limited to, eligible payroll costs and mortgage interest, rent or utility costs, and on the maintenance or rehiring of employees and maintaining compensation levels during the eight-week period following the funding of the PPP loan. On June 21, 2021, the Company was notified by the lender that the PPP loan had been forgiven for the full amount borrowed under the PPP loan, including less than $0.1 million of accrued interest. In accordance with ASC 405-20, *Extinguishment of Liabilities*, the income from the forgiveness of the amount borrowed and the accrued interest was recognized as a gain on extinguishment of debt recorded within loss on debt extinguishment, net in the condensed consolidated statement of operations and comprehensive loss during the six months ended June 30, 2021.

Amended and Restated Credit Agreement

In February 2016, the Company entered into a credit agreement (the "Credit Agreement") with Madryn Health Partners, LP ("Madryn"), under which we received net proceeds of approximately $35.0 million, including debt issuance costs of $0.8 million. Interest on the Credit Agreement accrued at an annual floating interest rate of LIBOR (with a 1% floor) plus 12.5%, payable quarterly, of which a portion could be deferred at our option and paid together with the principal at maturity ("payment in kind" or "PIK"). The Credit Agreement had an interest-only period through March 31, 2020 and a final maturity date of December 31, 2021.

In December 2017, the Company entered into the Amended and Restated Credit Agreement, receiving an additional $3.4 million in proceeds. The Amended and Restated Credit Agreement reduced the floating interest rate of LIBOR plus 12.5% to 8.86%, waived revenue covenants until October 1, 2020 as long as cash and investments exceeded the principal balance of the debt, removed the option to defer a portion of the interest payment until maturity and extended the term to December 2022. As of December 31, 2017, the additional debt recorded as PIK was approximately $1.6 million. In exchange for these changes, we issued 800,000 shares of Class B common stock to Madryn at a fair value of $12.35 per share. The fair value of the Class B common stock issued of $9.9 million, plus additional financing fees of $0.2 million, was recorded as deferred costs and is amortized to interest expense over the life of the loan using the effective interest rate method.

We determined that the Amended and Restated Credit Agreement contained put options related to early redemption mandatory prepayment terms in case of change in control or an event of default (the "redemption features"). The redemption features embedded in the Credit Agreement and Amended and Restated Credit Agreement met the requirements for separate accounting and were accounted for as a single, compound derivative instrument, in accordance with ASC 815, *Derivatives and Hedging.*

On June 29, 2020, the Company signed an amendment to the Amended and Restated Credit Agreement. The amendment increased the fixed annual interest rate to 12%, of which 3% can be deferred at our option and paid together with the principal at maturity, waived or amended certain covenants and eliminated amortizing principal payments set to begin in March 2021. The entirety of the outstanding principal balance will become due on the maturity date of December 31, 2022. Additionally, we incurred an amendment fee of $2.5 million, which was added to the outstanding principal balance. This amendment met the definition of a troubled debt restructuring under ASC 470-60, *Troubled Debt Restructurings by Debtors*, as the Company was experiencing financial difficulties and received concessions. The amendment did not result in a gain on restructuring because the total undiscounted cash outflows required under the Amended and Restated Credit Agreement exceeded the carrying value of the debt immediately prior to the amendment. The present value of the additional interest resulted in a premium of $1.4 million.

On November 20, 2020, the Company signed an additional amendment to the Amended and Restated Credit Agreement. In connection with the amendment, the Company issued 2,651,179 shares of Series A Preferred Stock to Madryn for a total fair value of approximately $18.0 million in exchange for the deemed prepayment of $10.0 million in the principal amount, a prepayment penalty of $2.5 million and amendment fees of approximately $5.5 million. This amendment also reduced the fixed annual interest rate to 11%, of which 2% can be deferred at our option and paid together with the principal at maturity, and amended certain change of control provisions.

On April 9, 2021, the Company repaid the Amended and Restated Credit Agreement in full and the obligation was extinguished. In addition to the outstanding principal balance of $33.3 million as of that date, the Company also paid a prepayment penalty of approximately $4.0 million. As a result of the repayment of the Amended and Restated Credit Agreement, the Company recognized a $5.2 million loss on extinguishment of debt in the condensed consolidated statement of operations and comprehensive loss during the six months ended June 30, 2021.

Obligations under the Amended and Restated Credit Agreement are collateralized by liens on substantially all of the Company's assets, including certain intellectual property. The Amended and Restated Credit Agreement contains various customary representations and warranties, conditions to borrowings, events of default and covenants, including financial covenants requiring the maintenance of minimum annual revenue and liquidity. The Company was in compliance with its financial covenants under the Amended and Restated Credit Agreement as of the extinguishment date and December 31, 2020. The Company incurred $1.2 million and $3.1 million of interest expense under the Amended and Restated Credit Agreement for the six months ended June 30, 2021 and 2020, respectively. The interest expense includes noncash amortization of the debt issuance costs of approximately $0.3 million and $1.3 million for the six months ended June 30, 2021 and 2020, respectively, and is net of amortization of premium of less than $0.1 million for the six months ended June 30, 2021 and 2020. During the six months ended June 30, 2021, the additional interest recorded as PIK, which is added to the principal balance of the long-term debt, was $0.2 million. Interest of less than $0.1 million was recorded as PIK during the six months ended June 30, 2020.

Long-term debt consisted of the following (in thousands):

	As of June 30, 2021	As of December 31, 2020
Paycheck Protection Program loan	$ -	$ 3,520
Amended and Restated Credit Agreement	-	33,087
Plus: Premium	-	708
Less: Unamortized debt issuance costs	-	(2,566)
Total long-term debt	$ -	$ 34,749
Current portion of long-term debt	$ -	$ 2,423
Long-term debt, net of current portion	$ -	$ 32,326

10. Redeemable Convertible Preferred Stock and Common Stock

The Company's certificate of incorporation, as amended, authorizes it to issue 486,000,000 shares of $0.01 par value stock, with 218,000,000 shares designated as Class A common stock (the "Class A Common Stock"), 218,000,000 shares designated as Class B common stock (the "Class B Common Stock") (collectively, the "Common Stock") and 50,000,000 shares designated as shares of redeemable convertible preferred stock. As of June 30, 2021, the Company had 74,817,828 shares of Class B Common Stock issued, 74,686,484 shares outstanding and no Class A common shares issued or outstanding. Each share of Class B Common Stock is convertible into one share of Class A Common Stock.

The Company's stock option plan allows employees to surrender previously purchased shares to the Company to complete a cashless exercise of options. These surrendered shares are recorded as treasury stock at cost. The amounts recorded in treasury stock were $0.4 million as of June 30, 2021 and December 31, 2020.

Redeemable Convertible Preferred Stock

In November and December 2020, the Company issued and sold 17,842,914 shares and 13,643,059 shares, respectively, of Series A redeemable convertible preferred stock (the "Series A Preferred Stock") at a price of $6.78 per share for an aggregate purchase price of $213.5 million. The Company incurred equity issuance costs of $11.4 million in connection with these offerings, which are reflected as a reduction to the carrying value of the redeemable convertible preferred stock.

Upon issuance of the Series A Preferred Stock, the Company assessed the embedded conversion and liquidation features of the securities and determined that the Company is not required to separately account for these features. The Company also concluded that no beneficial conversion feature existed as of June 30, 2021.

The holders of the Series A Preferred Stock have the following rights and preferences:

Voting

The holders of Series A Preferred Stock are entitled to vote, together with the holders of Class B Common Stock as a single class, on all matters submitted to stockholders for a vote, excluding those matters required to be submitted to a preferred stock class vote. Each holder of Series A Preferred Stock is entitled to the number of votes equal to the number of votes per share of Class B Common Stock into which each share of Series A Preferred Stock is convertible as of the record date for determining stockholders entitled to vote on such matter. The holders of Series A Preferred Stock, voting exclusively as a separate class, are entitled to elect one director of the Company. Each holder of Class A Common Stock is entitled to one vote for each share. Class B common stock is entitled to ten votes for each share.

Dividends

The holders of the Series A Preferred Stock are entitled to receive, when, as and if declared by the Board of Directors, noncumulative dividends at a rate of 6% per annum of the original issuance price of $6.78 per share per annum. The dividends are payable in preference and priority to any payment of any dividend on common stock. After payment of dividends on the Series A Preferred Stock, the Company may declare and distribute dividends on a pro rata basis among the holders of the redeemable convertible preferred stock and common stock based on the number of shares of common stock held by each, determined on an as-if-converted basis. No dividends have been declared or paid since issuance of the Series A Preferred stock as of June 30, 2021.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or Deemed Liquidation Event (as described below), the holders of shares of Series A Preferred Stock then outstanding will be entitled to receive, in preference to any distribution to the holders of common stock, an amount per share equal to the greater of (i) the original issue price of $6.78, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series A Preferred Stock been converted into Class B Common Stock. In the event that assets available for distribution to the stockholders are insufficient to pay the holders of redeemable convertible preferred stock the full amount to which they are entitled, the holders of shares of Series A Preferred Stock shall receive a pro rata distribution, based on the relative Series A Preferred Stock ownership. If the assets and funds are in excess of amounts distributed to the preferred stockholders, the remaining assets and funds shall be distributed pro rata to the holders of the common stock.

Unless the holders of at least a majority of the then-outstanding shares Series A Preferred Stock voting together exclusively and as a single class elect otherwise, a Deemed Liquidation Event shall include a merger or consolidation (other than one in which the stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all the assets of the Company.

Redemption

The redeemable convertible preferred stock is recorded in mezzanine equity because while it is not currently redeemable, it may become redeemable at the option of the preferred shareholders upon the occurrence of certain deemed liquidation events that are not considered to be solely within the Company's control for an amount equal to the shares respective liquidation preference plus declared and unpaid dividends.

Conversion

Each share of Series A Preferred Stock is convertible into shares of Class B Common Stock at the option of the holder at any time after the date of issuance. Each share of Series A Preferred Stock will be automatically converted into shares of Class B Common Stock, at the applicable conversion ratio then in effect, upon either (i) the closing of a firm commitment public offering at a price of at least $3.39 per share with at least $100.0 million of gross proceeds to the Company, (ii) the closing of a business combination, merger, reorganization, or similar transaction, at a price of a least $3.39 per share with combined available cash or cash equivalents of at least $100.0 million, or (iii) the vote or written consent of the holders of at least a majority of the then-outstanding shares of Series A Preferred Stock.

The conversion ratio of the Series A Preferred Stock is determined by dividing the original issue price of $6.78 by the conversion price of $3.39, subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization and other adjustments as set forth in the Company's certificate of incorporation and designation, as amended and restated.

Common Stock Reserved

The Company is required, at all times, to reserve a sufficient number of shares of common stock to effect the conversion of all outstanding shares of the Series A redeemable convertible preferred stock. The Company has also reserved 14.6 million shares of common stock for issuance under the 2017 Equity Incentive Plan and the 2009 Equity Incentive Plan (collectively, the "Incentive Plan").

11. Stock-based Compensation

At June 30, 2021, there were 13,681,709 options outstanding within the Incentive Plan and 4,975,000 options outstanding that were granted outside of the Incentive Plan. The exercise price of all options as of the grant date was equal to or greater than the deemed fair value of the underlying common stock as determined by the Company's Board of Directors with the assistance of periodic valuations from a third-party valuation firm. Generally, such options vest over four years, with 25% vesting upon the first-year anniversary of the grant date and the remaining options vesting ratably each month thereafter.

Stock-based compensation was recorded in the condensed consolidated statements of operations and comprehensive loss as shown in the following table (in thousands):

	Six Months Ended June 30,	
	2021	2020
Cost of assay services revenue	$ 181	$ 216
Cost of product revenue	6	7
Research and development	1,574	1,414
Selling, general and administrative	6,255	5,109
Total stock-based compensation	$ 8,016	$ 6,746

Stock-based compensation expense includes $0.3 million and $0.2 million related to Class B common stock issued to a nonemployee for services provided during the six months ended June 30, 2021 and 2020, respectively.

The assumptions used in valuing the stock options granted are set forth in the following table:

	Six Months Ended June 30,	
	2021	2020
Expected dividend yield	–%	–%
Expected volatility	86.8 - 92.8%	83.5%
Risk-free interest rate	0.64 - 1.11%	0.34 - 0.44%
Expected weighted-average life of options	6.04 years	5.95 years

The weighted-average grant date fair value for options granted during the six months ended June 30, 2021 and 2020 was $2.26 and $1.71, respectively.

The following table shows a summary of all stock option activity:

	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (dollars in thousands)
Outstanding as of December 31, 2020	13,543,787	$ 3.28		
Granted	6,826,875	$ 4.24		
Exercised	(1,142,426)	$ 2.44		
Forfeited	(387,366)	$ 3.12		
Expired	(184,161)	$ 1.89		
Outstanding as of June 30, 2021	18,656,709	$ 3.70	8.34	$ 57,781
Exercisable as of June 30, 2021	8,354,970	$ 3.13	7.00	$ 30,656
Vested and expected to vest as of June 30, 2021	16,403,106	$ 3.64	8.20	$ 51,819

The total intrinsic value of options exercised during the six months ended June 30, 2021 and 2020 was approximately $1.7 million and $0.2 million, respectively.

Based on options granted to employees as of June 30, 2021, total compensation expense not yet recognized related to unvested options is approximately $23.7 million, which is expected to be recognized over a weighted average period of 2.35 years.

In June 2021, the Company modified options held by directors that resigned from the board to accelerate the vesting and/or extend contractual terms. In connection with these modifications, the Company recorded incremental stock-based compensation expense of $0.7 million for the six months ended June 30, 2021.

12. Income Taxes

There has historically been no federal or state provision for income taxes because the Company has incurred operating losses and maintains a full valuation allowance against its net deferred tax assets in the United States. For the six months ended June 30, 2021 and 2020, the Company recognized no provision for income taxes in the United States. The foreign provision for income taxes was immaterial for the six months ended June 30, 2021 and 2020.

Utilization of net operating loss carryforwards, tax credits and other attributes may be subject to future annual limitations due to the ownership change limitations provided by Section 382 of the Internal Revenue Code and similar state provisions.

13. Employee Benefit Plans

The Company sponsors a 401(k) plan, covering all employees in the United States. The Company matches 100% of the first 4% of employee contribution with immediate vesting. During the six months ended June 30, 2021 and 2020, we made matching contributions of approximately $0.6 million and $0.4 million, respectively.

14. Related Parties

The Company paid $0.1 million of an unconditional contribution to a related party during the six months ended June 30, 2021 and 2020. As of June 30, 2021, $0.4 million of the $0.5 million remaining pledge is recorded in accrued liabilities and $0.1 million is recorded in other long-term liabilities.

15. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except share and per share data):

	Six Months Ended June 30,	
	2021	**2020**
Net loss	$ (22,821)	$ (36,618)
Weighted average shares used in computing net loss per share, basic and diluted	73,874,501	72,605,744
Net loss per share, basic and diluted	$ (0.31)	$ (0.50)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share for the periods presented because including them would have been anti-dilutive:

	Six Months Ended June 30,	
	2021	**2020**
Redeemable convertible preferred stock (on an if-converted basis)	62,971,946	-
Stock options to purchase common stock	18,656,709	13,323,593
Convertible debt (on an if-converted basis)	681,430	537,634
	82,310,085	13,861,227

16. Subsequent Events

For its condensed consolidated financial statements as of June 30, 2021 and for the six months then ended, the Company evaluated subsequent events through September 8, 2021, the date on which these financial statements were issued.

On July 1, 2021, an employee of the Company sold 2,000,000 shares of the Company's Class B common stock at a price of $10.00 per share and 1,000,000 vested options to acquire shares of the Company's Class B common stock at a price of $6.00 per option for an aggregate amount of $26.0 million to certain of the Company's existing investors. The Company determined that the purchase prices were in excess of the fair value of such shares and options. As a result, the excess of the purchase prices above fair value will be recognized in the condensed consolidated statement of operations and comprehensive loss as stock-based compensation expense in the third quarter of 2021.

On July 9, 2021, the holder of the Convertible Debt converted the Convertible Debt into 682,070 shares of Class B common stock that resulted in an economic value equivalent to the issuance of preferred stock at the preferred stock conversion price indicated in the Convertible Debt note.

On September 1, 2021, the Company completed the Business Combination with CMLS II, whereby (i) Old SomaLogic changed its named to "SomaLogic Operating Co. Inc.", (ii) CMLS II changed its name to "SomaLogic, Inc.", and (iii) Merger Sub merged with and into Old SomaLogic, with Old SomaLogic surviving the Merger as a wholly owned subsidiary of New SomaLogic. The Business Combination will be accounted for as a reverse recapitalization, in accordance with U.S. GAAP. Under this method of accounting, SomaLogic will be treated as the accounting acquirer for financial reporting purposes. Pursuant to the terms of the Merger Agreement, the aggregate merger consideration paid in connection with the Business Combination (excluding any potential Earn-Out Shares, as defined below) was $1,250 million, which consists of cash payments (at the election of SomaLogic stockholders) of $50.0 million and equity consideration in the form of (i) the issuance of shares of Class A common stock of New SomaLogic ("Common Stock") and (ii) rollover of SomaLogic's outstanding options. The number of shares of Common Stock issued to SomaLogic stockholders was based on a deemed value of $10.00 per share after giving effect to an exchange ratio of 0.8381. Accordingly, $50 million in cash was paid to SomaLogic stockholders, 110,973,213 shares of Common Stock were issued to SomaLogic stockholders on the Closing Date, and 17,177,528 shares of Common Stock may be issued in the future upon the exercise of options of the Company that were converted from Old SomaLogic options.

SomaLogic stockholders and service providers of SomaLogic ("Earn-Out Service Providers") are also entitled to receive a number of shares (the "Earn-Out Shares") of up to 3,500,125 and 1,499,875 additional shares of Common Stock, respectively, if at any time between the 13-month anniversary of the Closing Date and the 24-month anniversary of the Closing Date, the Common Stock share price is greater than or equal to $20.00 for a period of at least 20 out of 30 consecutive trading days (the "Triggering Event"). Any Earn-Out Shares issuable to an Earn-Out Service Provider shall be issued only if such individual continues to provide services (whether as an employee, director or individual independent contractor) through the date of occurrence of the corresponding Triggering Event (or a change in control acceleration event, if applicable) that causes such Earn-Out Shares to become issuable. Any Earn-Out Shares that are forfeited pursuant to the preceding sentence shall be reallocated to the SomaLogic stockholders in accordance with their respective pro rata Earn-Out Shares.

In addition, certain investors purchased an aggregate of 36,500,000 shares of Common Stock at the Closing Date for an aggregate purchase price of $365.0 million.

Exhibit 99.4

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below shall have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K (the "Form 8-K").

The following unaudited pro forma condensed combined balance sheet of the post-combination company as of June 30, 2021 and the unaudited pro forma condensed combined statements of operations of the post-combination company for the six months ended June 30, 2021 and for the year ended December 31, 2020 present the combination of the financial information of CMLS II and SomaLogic after giving effect to the Business Combination, PIPE Investment, conversion of the convertible debt, and related adjustments described in the accompanying notes. CMLS II and SomaLogic are referred to herein, subsequent to the Business Combination and the PIPE Investment, as the post-combination company.

The unaudited pro forma condensed combined balance sheet as of June 30, 2021 gives pro forma effect to the Business Combination and PIPE Investment as if they were completed on June 30, 2021. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 give pro forma effect to the Business Combination and PIPE Investment as if they had occurred on January 1, 2020. The unaudited pro forma condensed combined balance sheet as of June 30, 2021 also gives pro forma effect to conversion of the convertible debt into 682,070 shares of SomaLogic Class B common stock, which occurred on July 9, 2021, as if it had occurred on June 30, 2021. Additionally, the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and the for the year ended December 31, 2020 give pro forma effect to the conversion of the convertible debt as if it had occurred January 1, 2020.

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with the following historical financial statements and the accompanying notes:

- the historical audited financial statements of CMLS II as of December 31, 2020 and for the period from December 15, 2020 (inception) through December 21, 2020 included in the Proxy Statement/Prospectus, which is incorporated by reference;
- the historical unaudited condensed financial statements of CMLS II as of and for the six months ended June 30, 2021 included in CMLS II's Quarterly Report filed on Form 10-Q filed with the SEC on August 16, 2021, which is incorporated by reference;
- the historical audited consolidated financial statements of SomaLogic as of and for the year ended December 31, 2020 included in the Proxy Statement/Prospectus, which is incorporated by reference; and
- the historical unaudited condensed consolidated financial statements of SomaLogic as of and for the six months ended June 30, 2021, included in Exhibit 99.3 to the Form 8-K, which is incorporated by reference.

The unaudited pro forma condensed combined financial information should also be read together with the sections entitled "*The Company's Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*SomaLogic's Management's Discussion and Analysis of Financial Condition and Results of Operations*" included in the Proxy Statement/Prospectus, which is incorporated by reference, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included in Exhibit 99.2 to the Form 8-K, which is incorporated by reference.

The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and does not necessarily reflect what the post-combination company's financial condition or results of operations would have been had the Business Combination, the PIPE Investment, and the conversion of the convertible debt occurred on the dates indicated. Further, the unaudited pro forma condensed combined financial information also may not be useful in predicting the future financial condition and results of operations of the post-combination company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial statements and are subject to change as additional information becomes available and analyses are performed.

Description of Business Combination

On March 28, 2021, SomaLogic entered into the Merger Agreement with CMLS II and Merger Sub. The Business Combination was consummated on September 1, 2021, whereby (i) SomaLogic ("*Old SomaLogic*") changed its name to "SomaLogic Operating Co., Inc.", (ii) CMLS II changed its name to SomaLogic, Inc. ("*New SomaLogic*"), and (iii) Merger Sub merged with and into Old SomaLogic, with Old SomaLogic surviving the Merger as a wholly owned subsidiary of New SomaLogic. The aggregate Merger Consideration paid in connection with the Business Combination (excluding any potential Earn-Out Shares) was $1,250 million, which consists of cash payments (at the election of SomaLogic stockholders) of $50.0 million ("*Cash Consideration*") and equity consideration in the form of (i) the issuance of shares of Common Stock of New SomaLogic ("*Share Consideration*") and (ii) rollover of SomaLogic's outstanding options. The number of shares of Common Stock issued as Share Consideration was based on a deemed value of $10.00 per share after giving effect to an exchange ratio of 0.8381 (the "*Exchange Ratio*"). Accordingly, the $50 million Cash Consideration was paid to SomaLogic stockholders, 110,973,213 shares of Common Stock were issued to SomaLogic stockholders on the Closing Date, and 17,177,528 shares of Common Stock may be issued in the future upon the exercise of SomaLogic options based on the following transactions that occurred on the Closing Date:

- the cancellation of each issued and outstanding share of SomaLogic Class B common stock (including shares of SomaLogic Class B common stock resulting from the deemed conversion of SomaLogic redeemable convertible preferred stock) and the conversion into the right to receive a pro rata share of the Cash Consideration or a number of shares of Common Stock equal to the Exchange Ratio; and

- the conversion of all outstanding SomaLogic options into options exercisable for shares of Common Stock with the same terms except for the number of shares exercisable and the exercise price, each of which was adjusted using the Exchange Ratio.

SomaLogic stockholders and Earn-Out Service Providers are also entitled to receive a number of Earn-Out Shares of up to 3,500,125 and 1,499,875 additional shares of Common Stock, respectively, if at any time between the 13-month anniversary of the Closing Date and the 24-month anniversary of the Closing Date, the Common Stock share price is greater than or equal to $20.00 for a period of at least 20 out of 30 consecutive trading days ("*Triggering Event*"). Any Earn-Out Shares issuable to an Earn-Out Service Provider shall be issued only if such individual continues to provide services (whether as an employee, director or individual independent contractor) through the date of occurrence of the corresponding Triggering Event (or a change in control acceleration event, if applicable) that causes such Earn-Out Shares to become issuable. Any Earn-Out Shares that are forfeited pursuant to the preceding sentence shall be reallocated to the SomaLogic stockholders in accordance with their respective pro rata Earn-Out Shares.

Other Related Events in Connection with the Business Combination

Other related events in connection with the Business Combination are summarized below:

- the issuance of 36,500,000 shares of Common Stock for aggregate proceeds of $365.0 million from consummation of the PIPE Investment; and

- the conversion of CMLS II Class B common stock into Common Stock on a one-for-one basis.

The unaudited pro forma condensed combined financial information below reflects the actual redemption of 809,850 shares of Class A Common Stock by CMLS II's public stockholders at $10.00 per share.

The following summarizes the pro forma post-combination company Common Stock issued and outstanding immediately after the Business Combination and PIPE Investment:

	Shares	%
Public stockholders (1)	26,790,150	14.8%
PIPE Investors	36,500,000	20.1%
Initial Stockholders (1)	6,900,000	3.8%
Former SomaLogic stockholders (2) (3)	110,973,213	61.3%
	181,163,363	100%

(1) Excludes 5,520,000 and 5,013,333 shares of Common Stock issuable upon the exercise of public warrants and private placement warrants, respectively.

(2) Excludes 17,177,528 shares of Common Stock issuable upon the exercise of SomaLogic options.

(3) Excludes 5,000,000 shares of Common Stock in potential Earn-Out Shares as they are not issuable until 13 to 24 months after the Closing Date and are contingently issuable based upon the Triggering Event.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
JUNE 30, 2021
(in thousands)

	CMLS II (Historical)	SomaLogic (Historical)	Pro Forma Adjustments		Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 674	$ 47,138	$ 365,000	**(A)**	$ 582,684
			276,009	**(B)**	
			(9,660)	**(C)**	
			(38,378)	**(F)**	
			(8,099)	**(H)**	
			(50,000)	**(J)**	
Investments	-	111,041	-		111,041
Accounts receivable, net	-	13,566	-		13,566
Inventory	-	7,662	-		7,662
Deferred costs of services	-	1,721	-		1,721
Prepaid expenses and other current assets	130	1,728	-		1,858
Total current assets	804	182,856	534,872		718,532
Cash held in Trust Account	276,009	-	(276,009)	**(B)**	-
Non-current inventory	-	4,888	-		4,888
Property and equipment, net	-	4,400	-		4,400
Other long-term assets	-	6,279	(5,371)	**(F)**	908
Total assets	$ 276,813	$ 198,423	$ 253,492		$ 728,728
Liabilities, redeemable stock and other stockholders' equity (deficit)					
Current liabilities:					
Accounts payable	$ -	$ 8,831	$ (685)	**(F)**	$ 8,146
Accrued liabilities	-	5,604	-		5,604
Accrued offering costs and expenses	130	-	-		130
Deferred revenue	-	4,789	-		4,789
Deferred rent	-	54	-		54
Current portion of convertible debt	-	1,937	(1,937)	**(D)**	-
Total current liabilities	130	21,215	(2,622)		18,723
Deferred revenue, net of current portion	-	2,890	-		2,890
Other long-term liabilities	-	459	-		459
Deferred underwriters' discount	9,660	-	(9,660)	**(C)**	-
Warrant liability	58,332	-	(29,834)	**(N)**	28,498
Earn-Out Liability	-	-	17,530	**(L)**	17,530
Total liabilities	68,122	24,564	(24,586)		68,100
Class A common stock subject to possible redemption	203,690	-	(203,690)	**(G)**	-
Redeemable convertible preferred stock	-	202,116	(202,116)	**(M)**	-
Other stockholders' equity (deficit):					
Common Stock	1	-	4	**(A)**	19
			2	**(G)**	
			-	**(H)**	
			1	**(I)**	
			11	**(M)**	
Class B common stock	1	-	(1)	**(I)**	-
SomaLogic Class B common stock	-	748	7	**(D)**	-
			(755)	**(M)**	
Treasury stock	-	(408)	408	**(E)**	-
Additional paid-in capital	48,276	405,583	364,996	**(A)**	1,095,956
			1,930	**(D)**	
			(408)	**(E)**	
			(41,897)	**(F)**	
			203,688	**(G)**	
			(8,099)	**(H)**	
			(50,000)	**(J)**	
			(43,277)	**(K)**	
			(17,530)	**(L)**	
			202,860	**(M)**	
			29,834	**(N)**	
Accumulated other comprehensive loss	-	7	-		7
Accumulated deficit	(43,277)	(434,187)	(1,167)	**(F)**	(435,354)
			43,277	**(K)**	
Total other stockholders' equity (deficit)	5,001	(28,257)	683,884		660,628
Total liabilities, redeemable stock and other stockholders' equity (deficit)	$ 276,813	$ 198,423	$ 253,492		$ 728,728

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2021
(in thousands, except share and per share amounts)

	CMLS II (Historical)	SomaLogic (Historical)	Pro Forma Adjustments		Pro Forma Combined
Total revenue	$ -	$ 38,640	$ -		$ 38,640
Operating expenses:					
Cost of revenue	-	14,230	21	**(AA)**	14,251
Research and development	-	16,708	198	**(AA)**	16,906
Selling, general and administrative	-	27,642	822	**(AA)**	28,464
Operating costs	856	-	-		856
Total operating expenses	856	58,580	1,041		60,477
Loss from operations	(856)	(19,940)	(1,041)		(21,837)
Other (expense) income:					
Interest income and other, net	-	71	-		71
Interest expense	-	(1,322)	48	**(BB)**	(1,274)
Loss on extinguishment of debt, net	-	(1,630)	-		(1,630)
Interest earned on cash and marketable securities held in Trust Account	9	-	(9)	**(CC)**	-
Offering costs allocated to warrants	(505)	-	-		(505)
Change in fair value of warrant liability	(41,925)	-	20,946	**(DD)**	(20,979)
Total other (expense) income	(42,421)	(2,881)	20,985		(24,317)
Net (loss) income	$ (43,277)	$ (22,821)	$ 19,944		$ (46,154)
Weighted-average shares outstanding, basic and diluted	6,626,519	73,874,501		**(EE)**	181,163,363
Net loss per share, basic and diluted	$ (6.53)	$ (0.31)			$ (0.25)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020
(in thousands, except share and per share amounts)

	CMLS II (Historical)	SomaLogic (Historical)	Pro Forma Adjustments		Pro Forma Combined
Total revenue	$ -	$ 55,889	$ -		$ 55,889
Operating expenses:					
Cost of revenue	-	22,614	110	**(AA)**	22,724
Research and development	-	30,749	1,041	**(AA)**	31,790
Selling, general and administrative	-	36,882	4,328	**(AA)**	41,210
Formation and operating costs	1	-	-		1
Total operating expenses	1	90,245	5,479		95,725
Loss from operations	(1)	(34,356)	(5,479)		(39,836)
Other (expense) income:					
Interest income and other, net	-	230	-		230
Interest expense	-	(18,889)	149	**(BB)**	(18,740)
Total other (expense) income	-	(18,659)	149		(18,510)
Net (loss) income	$ (1)	$ (53,015)	$ (5,330)		$ (58,346)
Weighted-average shares outstanding, basic and diluted	6,000,000	72,833,736		**(EE)**	181,163,363
Net loss per share, basic and diluted	$ (0.00)	$ (0.73)			$ (0.32)

Note 1 — Basis of Presentation

The historical information of CMLS II and SomaLogic has been adjusted in the unaudited pro forma condensed combined financial information to reflect pro forma adjustments related to the Business Combination, PIPE Investment, and conversion of the convertible debt in accordance with GAAP.

The Business Combination is accounted for as a reverse recapitalization because SomaLogic has been determined to be the accounting acquirer under Financial Accounting Standards Board's Accounting Standards Codification Topic 805, *Business Combinations*. The determination is primarily based on the evaluation of the following facts and circumstances taking into consideration both the no redemption and maximum redemption scenario:

- the former SomaLogic stockholders hold the majority of voting rights in the post-combination company;
- the former SomaLogic stockholders have the right to appoint the majority of the directors on the post-combination company board;
- senior management of SomaLogic comprises the senior management of the post-combination company; and
- operations of SomaLogic comprise the ongoing operations of the post-combination company.

Under the reverse recapitalization model, the Business Combination is reflected as the equivalent of SomaLogic issuing stock for the net assets of CMLS II, accompanied by a recapitalization whereby no goodwill or other intangible assets are recorded.

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33 — 10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." The unaudited pro forma condensed combined balance sheet as of June 30, 2021 combines the unaudited condensed balance sheet of CMLS II as of June 30, 2021 with the unaudited condensed consolidated balance sheet of SomaLogic as of June 30, 2021, giving effect to the Business Combination, PIPE Investment, and conversion of the convertible debt as if it had been consummated on June 30, 2021. The unaudited pro forma condensed combined statement of operations for the six months ended June 30, 2021 combines the unaudited condensed statement of operations of CMLS II for the six months ended June 30, 2021 with the unaudited condensed consolidated statement of operations of SomaLogic for the six months ended June 30, 2021. The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2020 combines the audited statements of operations of CMLS II for the period from December 15, 2020 (inception) through December 31, 2020 with the audited consolidated statement of operations of SomaLogic for the year ended December 31, 2020. The unaudited pro forma condensed combined statements of operations presented give effect to the Business Combination, PIPE Investment, and conversion of the convertible debt as if they had been consummated on January 1, 2020, the earliest period presented. The unaudited pro forma condensed combined financial information also reflects the actual redemption of 809,850 shares of Class A Common Stock by CMLS II's public stockholders at $10.00 per share.

The unaudited pro forma condensed combined financial information does not reflect the income tax effects of the pro forma adjustments as any change in the deferred tax balance would be offset by an increase in the valuation allowance given that SomaLogic incurred significant losses during the historical periods presented.

Note 2 — Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

Balance Sheet

The pro forma adjustments included in the unaudited pro forma condensed combined balance sheet as of June 30, 2021 are as follows:

(A) Reflects the proceeds of $365.0 million from the issuance and sale of 36,500,000 shares of Common Stock at $10.00 per share pursuant to the PIPE Investment entered into with PIPE Investors.

(B) Reflects the liquidation and reclassification of $276.0 million of cash and marketable securities held in the Trust Account to cash and cash equivalents upon consummation of the Business Combination.

(C) Represents the payment of $9.7 million of deferred underwriters' discount (fees) incurred as part of CMLS II's IPO that becomes payable upon the Closing of the Business Combination.

(D) Reflects the conversion of SomaLogic's convertible debt into 682,070 shares of SomaLogic Class B common stock, which occurred on July 9, 2021, prior to the consummation of the Business Combination.

(E) Reflects the elimination of SomaLogic's treasury stock.

(F) Represents additional estimated transaction costs of $37.7 million incurred by CMLS II and SomaLogic related to the Business Combination and PIPE Investment, of which $36.5 million are direct and incremental and have been reflected as a reduction in cash with a corresponding decrease in additional paid-in capital. The remaining $1.2 million of other transaction costs have been reflected as a reduction in cash with a corresponding decrease in accumulated deficit. Additionally, represents the elimination of $5.4 million deferred transaction costs incurred by SomaLogic related to the Business Combination and PIPE Investment, of which $0.7 million were accrued and $4.7 million were paid as of June 30, 2021. The deferred transaction costs incurred by SomaLogic are direct and incremental and have been reflected as a decrease in additional paid-in capital.

(G) Reflects the reclassification of Class A Common Stock subject to possible redemption to permanent equity.

(H) Represents the cash disbursed to redeem 809,850 shares of Class A Common Stock for $8.1 million at a redemption price of $10.00 per share.

(I) Reflects the conversion of CMLS II Class B common stock to Common Stock concurrently with the Closing of the Business Combination on a one-for-one basis.

(J) Reflects the payment of $50.0 million of Cash Consideration to the SomaLogic stockholders in connection with the Business Combination.

(K) Reflects the elimination of CMLS II's historical accumulated deficit.

(L) Reflects the estimated fair value of the Earn-Out Shares contingently issuable and recorded as a liability as of the Closing Date. For further information, see Note 3.

(M) Represents the Share Consideration paid to SomaLogic stockholders, resulting in the conversion of SomaLogic Class B common stock (including shares of SomaLogic Class B common stock resulting from the deemed conversion of SomaLogic redeemable convertible preferred stock) into Common Stock pursuant to the Exchange Ratio. Each SomaLogic stockholders' Share Consideration was reduced by the applicable stockholders' Cash Consideration.

(N) SomaLogic has evaluated the accounting for CMLS II's public and private placement warrants for the post-combination company under ASC 480 and ASC 815. SomaLogic believes the public warrants qualify as equity instruments under ASC 815 after considering, among other factors, that after the Business Combination, the post-combination company has a single class equity structure. Therefore, the adjustment reflects the reclassification of CMLS II's public warrants from liabilities to equity in connection with the consummation of the Business Combination; however, we continue to evaluate facts and circumstances.

Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020 are as follows:

(AA) Reflects the incremental stock-based compensation expense for Earn-Out Shares to be issued to Earn-Out Service Providers who have a continuing service requirement. For further details, refer to Note 3.

(BB) Represents the elimination of historical interest expense and debt discount amortization related to SomaLogic's convertible debt for the six months ended June 30, 2021 and for the year ended December 31, 2020.

(CC) Represents the elimination of interest earned on cash and marketable securities held in CMLS II's Trust Account for the six months ended June 30, 2021.

(DD) Represents the elimination of the change in fair value of the warrant liability associated with CMLS II's public warrants for the six months ended June 30, 2021, as such warrants will become equity classified upon the consummation of the Business Combination (See Note 2(n)).

(EE) Represents pro forma net loss per share based on pro forma net loss and 181,163,363 total pro forma shares outstanding upon consummation of the Business Combination and PIPE Investment. For each period presented, there is no difference between basic and diluted pro forma net loss per share as outstanding options, warrants, and Earn-Out Shares are anti-dilutive and are not included in the calculation of diluted net loss per share.

Note 3 — Earn-Out Shares

Earn-Out Shares are contingently issuable upon the Triggering Event, except for Earn-Out Shares contingently issuable to Earn-Out Service Providers that are contingently issuable upon both the Triggering Event and certain service conditions. The Earn-Out Shares issuable to SomaLogic stockholders are deemed to be a contingent consideration arrangement and are expected to be accounted for as a liability ("*Earn-Out Liability*"). The estimated fair value of the Earn-Out Shares contingently issuable to SomaLogic stockholders is approximately $17.5 million as of June 30, 2021, which is recorded as Earn-Out Liability and remeasured to fair value at each reporting period.

The Earn-Out Shares issuable to Earn-Out Service Providers are expected to be accounted for as stock-based compensation expense as they are subject to a post-combination service condition through the date of the Triggering Event. The estimated fair value of the Earn-Out Shares issuable to Earn-Out Service Providers is approximately $6.5 million as of June 30, 2021, of which $1.0 million and $5.5 million were recorded as stock-based compensation expense in the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and for the year ended December 31, 2020, respectively.

The fair values of the Earn-Out Shares were determined using Monte Carlo simulation model implemented in a risk-neutral valuation framework. The most significant assumptions impacting the fair value of the Earn-Out Liability and Earn-Out Shares contingently issuable to Earn-Out Service Providers is the estimated share price at Closing Date, estimated forfeitures, the estimated volatility, and the risk-free interest rate over the Earn-Out Period. If the actual assumptions are different from those assumed for the unaudited pro forma condensed combined financial information, the fair value of the Earn-Out Liability and Earn-Out Shares issuable to Earn-Out Service Providers would be different.