UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2023
OR

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

For transition period from to
Commission File Number 001-40090

SOMALOGIC, INC.

(Exact name of registrant as specified in its charter)

Delaware	**85-4298912**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2945 Wilderness Place
Boulder, Colorado 80301
(303) 625-9000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.0001 par value	SLGC	Nasdaq Capital Market
Warrants to purchase Common Stock	SLGCW	Nasdaq Capital Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

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

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

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

As of August 10, 2023, there were approximately 188,071,546 shares of the registrant's common stock outstanding.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-Q includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. All statements, other than statements of historical fact included in or incorporated by reference into this Quarterly Report on Form 10-Q, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this report, the words ““will be,” “will,” “expect,” “anticipate,” “continue,” “project,” “believe,” “plan,” “could,” “estimate,” “forecast,” “guidance,” “intend,” “may,” “plan,” “possible,” “potential,” “predict,” “pursue,” “should,” “target” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

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 comply with the listing requirements of the Nasdaq;
- the risk of disruption, including in the Company’s information technology systems, 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, sales and marketing, and research and development activities;
- the ability to protect the Company’s intellectual property;
- the Company’s plans to engage in acquisition activities and the anticipated impact of such activities on the Company’s financial results;
- the impact of the procurement and budgetary cycles of customers;
- 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 attract or retain sales and distribution partners;
- 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 ability to use net operating losses and certain other tax attributes; and
- the Company’s financial performance.

The forward-looking statements contained in this Quarterly Report on Form 10-Q 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 under section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022. 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.

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

SomaLogic, Inc.
Condensed Consolidated Balance Sheets
Unaudited
(in thousands, except share data)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 354,544	$ 421,830
Investments	119,646	117,758
Accounts receivable, net	21,750	17,006
Inventory	15,123	13,897
Deferred costs of services	440	1,337
Prepaid expenses and other current assets	4,760	9,873
Total current assets	516,263	581,701
Non-current inventory	10,296	4,643
Accounts receivable, net of current portion	9,041	9,284
Property and equipment, net of accumulated depreciation and amortization of $21,390 and $17,899 as of June 30, 2023 and December 31, 2022, respectively	18,668	19,564
Other long-term assets	4,379	5,083
Intangible assets	16,700	16,700
Goodwill	10,399	10,399
Total assets	$ 585,746	$ 647,374
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 13,079	$ 16,794
Accrued liabilities	10,926	20,678
Deferred revenue	5,083	3,383
Other current liabilities	2,413	2,477
Total current liabilities	31,501	43,332
Warrant liabilities	2,633	4,213
Deferred revenue, net of current portion	31,207	31,732
Other long-term liabilities	5,253	5,539
Total liabilities	70,594	84,816
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; no shares issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Common stock, $0.0001 par value; 600,000,000 shares authorized; 188,071,445 and 187,647,973 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	19	19
Additional paid-in capital	1,182,645	1,171,122
Accumulated other comprehensive income (loss)	17	(513)
Accumulated deficit	(667,529)	(608,070)
Total stockholders' equity	515,152	562,558
Total liabilities and stockholders' equity	$ 585,746	$ 647,374

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

SomaLogic, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
Unaudited
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue				
Assay services revenue	$ 16,597	$ 10,931	$ 35,016	$ 29,731
Product revenue	2,909	714	4,095	1,167
Collaboration revenue	762	762	1,525	1,525
Other revenue	200	1,737	211	4,701
Total revenue	20,468	14,144	40,847	37,124
Operating expenses				
Cost of assay services revenue	9,677	6,571	21,359	17,951
Cost of product revenue	1,498	506	2,132	778
Research and development	10,815	17,636	24,882	31,436
Selling, general and administrative	29,573	36,812	63,762	67,627
Total operating expenses	51,563	61,525	112,135	117,792
Loss from operations	(31,095)	(47,381)	(71,288)	(80,668)
Other income				
Interest income and other, net	5,798	838	10,723	1,047
Change in fair value of warrant liabilities	527	14,536	1,580	27,176
Change in fair value of earn-out liability	—	9,027	15	25,489
Total other income	6,325	24,401	12,318	53,712
Net loss before income tax provision	$ (24,770)	$ (22,980)	$ (58,970)	$ (26,956)
Income tax provision	(2)	(5)	(4)	(8)
Net loss	$ (24,772)	$ (22,985)	$ (58,974)	$ (26,964)
Other comprehensive income (loss)				
Net unrealized gain (loss) on available-for-sale securities	$ 177	$ (209)	$ 528	$ (861)
Foreign currency translation gain (loss)	4	(11)	2	(14)
Total other comprehensive income (loss)	181	(220)	530	(875)
Comprehensive loss	$ (24,591)	$ (23,205)	$ (58,444)	$ (27,839)
Net loss per share, basic and diluted	$ (0.13)	$ (0.13)	$ (0.32)	$ (0.15)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	186,741,112	183,143,391	186,633,391	182,599,949

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

SomaLogic, Inc.
Condensed Consolidated Statements of Stockholders' Equity
Unaudited
(in thousands, except share amounts)

	Three Months Ended June 30, 2023					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at March 31, 2023	187,945,232	$ 19	$ 1,178,212	$ (164)	$ (642,757)	$ 535,310
Issuance of Common Stock upon exercise of options	12,608	—	27	—	—	27
Shares issued under employee stock purchase plan	113,605	—	223	—	—	223
Stock-based compensation	—	—	4,183	—	—	4,183
Net unrealized gain on available-for-sale securities	—	—	—	177	—	177
Foreign currency translation gain	—	—	—	4	—	4
Net loss	—	—	—	—	(24,772)	(24,772)
Balance at June 30, 2023	188,071,445	$ 19	$ 1,182,645	$ 17	$ (667,529)	$ 515,152

	Three Months Ended June 30, 2022					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at March 31, 2022	182,176,926	$ 18	$ 1,120,910	$ (727)	$ (502,892)	$ 617,309
Issuance of Common Stock upon exercise of options	1,241,871	—	3,510	—	—	3,510
Shares issued under employee stock purchase plan	34,527	—	133	—	—	133
Stock-based compensation	—	—	9,471	—	—	9,471
Net unrealized loss on available-for-sale securities	—	—	—	(209)	—	(209)
Foreign currency translation loss	—	—	—	(11)	—	(11)
Net loss	—	—	—	—	(22,985)	(22,985)
Balance at June 30, 2022	183,453,324	$ 18	$ 1,134,024	$ (947)	$ (525,877)	$ 607,218

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

SomaLogic, Inc.
Condensed Consolidated Statements of Stockholders' Equity
Unaudited
(in thousands, except share amounts)

	Six Months Ended June 30, 2023					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2022	187,647,973	$ 19	$ 1,171,122	$ (513)	$ (608,070)	$ 562,558
Issuance of Common Stock upon vesting of RSUs	185,863	—	—	—	—	—
Issuance of Common Stock upon exercise of options	124,004	—	199	—	—	199
Shares issued under employee stock purchase plan	113,605	—	223	—	—	223
Stock-based compensation	—	—	11,101	—	—	11,101
Impact of adoption of ASC 326	—	—	—	—	(485)	(485)
Net unrealized gain on available-for-sale securities	—	—	—	528	—	528
Foreign currency translation gain	—	—	—	2	—	2
Net loss	—	—	—	—	(58,974)	(58,974)
Balance at June 30, 2023	188,071,445	$ 19	$ 1,182,645	$ 17	$ (667,529)	$ 515,152

	Six Months Ended June 30, 2022					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2021	181,552,241	$ 18	$ 1,110,991	$ (72)	$ (498,913)	$ 612,024
Issuance of Common Stock upon exercise of options	1,866,556	—	4,752	—	—	4,752
Shares issued under employee stock purchase plan	34,527	—	133	—	—	133
Issuance of Common Stock for services	—	—	50	—	—	50
Stock-based compensation	—	—	18,098	—	—	18,098
Net unrealized loss on available-for-sale securities	—	—	—	(861)	—	(861)
Foreign currency translation loss	—	—	—	(14)	—	(14)
Net loss	—	—	—	—	(26,964)	(26,964)
Balance at June 30, 2022	183,453,324	$ 18	$ 1,134,024	$ (947)	$ (525,877)	$ 607,218

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

SomaLogic, Inc.
Condensed Consolidated Statements of Cash Flows
Unaudited
(in thousands)

	Six Months Ended June 30,	
	2023	2022
Operating activities		
Net loss	$ (58,974)	$ (26,964)
Adjustments to reconcile net loss to cash used in operating activities:		
Stock-based compensation expense	11,490	18,131
Depreciation and amortization	3,644	1,718
Noncash lease expense	1,133	505
Change in fair value of warrant liabilities	(1,580)	(27,176)
Change in fair value of earn-out liability	(15)	(25,489)
Change in fair value contingent consideration	455	—
Amortization of premium (accretion of discount) on available-for-sale securities, net	(1,085)	82
Provision (recovery) for expected credit losses	(6)	17
Cloud computing arrangement expenditures	(910)	(5,339)
Other	45	6
Changes in operating assets and liabilities:		
Accounts receivable	(4,980)	3,376
Inventory	(6,879)	(8,017)
Deferred costs of services	897	454
Prepaid expenses and other current assets	1,002	(64)
Other long-term assets	—	1,182
Accounts payable	(3,706)	3,454
Deferred revenue	1,175	31,754
Accrued and other liabilities	(9,761)	(2,655)
Operating lease liabilities	(1,227)	(1,251)
Net cash used in operating activities	(69,282)	(36,276)
Investing activities		
Purchases of property and equipment	(2,148)	(2,138)
Capitalized external use software development costs	(248)	—
Purchases of available-for-sale securities	(98,072)	(112,287)
Proceeds from maturities of available-for-sale securities	94,291	128,650
Proceeds from sales of available-for-sale securities	3,484	—
Net cash (used in) provided by investing activities	(2,693)	14,225
Financing activities		
Proceeds from exercise of stock options and employee stock purchase plan	422	4,885
Net cash provided by financing activities	422	4,885
Effect of exchange rates on cash, cash equivalents and restricted cash	(12)	(20)
Net decrease in cash, cash equivalents and restricted cash	(71,565)	(17,186)
Cash, cash equivalents and restricted cash at beginning of period	427,282	440,268
Cash, cash equivalents and restricted cash at end of period	$ 355,717	$ 423,082
Supplemental disclosure of non-cash investing and financing activities:		
Capital expenditures included in accounts payable	$ 626	$ 865
Operating lease assets obtained in exchange for lease obligations	—	4,134
Issuance of Common Stock for services	—	50
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 354,544	$ 418,182
Restricted cash included in prepaid expenses and other current assets	547	—
Restricted cash included in other long-term assets	626	4,900
Total cash, cash equivalents and restricted cash at end of period	$ 355,717	$ 423,082

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

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

Note 1 — Description of Business

Organization and Operations

SomaLogic, Inc. (“SomaLogic” or the “Company”) operates as a protein biomarker discovery company that develops slow off-rate 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. The 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.

SomaLogic, Inc. was incorporated in Delaware on December 15, 2020 as a special purpose acquisition company (“SPAC”) under the name CM Life Sciences II Inc. (“CMLS II”) for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses.

On September 1, 2021, we consummated a business combination (the “SPAC Merger”) wherein SomaLogic Operating Co. Inc. (“SomaLogic Operating”), a Delaware corporation formed on October 13, 1999, became a wholly-owned subsidiary of CMLS II. In connection with the closing of the SPAC Merger, we changed our name from CM Life Sciences II Inc. to SomaLogic, Inc.

Unless the context otherwise requires, the terms “we”, “us”, “our”, “SomaLogic" and “the Company" refer to SomaLogic, Inc. and its consolidated subsidiaries. The SPAC Merger and presentation of historical amounts and balances after the SPAC Merger are more fully described in Part II, Item 8 *“Financial Statements and Supplementary Data - Note 3 to the Consolidated Financial Statements - Business Combinations*” in our Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 Form 10-K”). Our Common Stock and warrants to purchase Common Stock are listed on the Nasdaq under the ticker symbols “SLGC” and “SLGCW”, respectively.

Other than information discussed herein, there have been no significant changes to our description of business disclosed in our 2022 Form 10-K.

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and applicable rules and regulations of the U.S. Securities and Exchange Commission regarding financial reporting. All intercompany transactions and balances have been eliminated in consolidation. 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 financial statements should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2022 included in the 2022 Form 10-K.

These unaudited condensed consolidated financial statements have been prepared on the same basis as our annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include normal recurring adjustments considered necessary for a fair presentation of interim financial information, to present fairly our condensed consolidated financial position and our results of operations and cash flows. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the year ending December 31, 2023 or for any other future annual or interim period.

Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Revisions of prior period consolidated financial statements

Capitalized software development costs related to hosting arrangements that are service contracts should be classified as operating activities in the statement of cash flows. We made immaterial revisions to amounts previously reported on our condensed consolidated statement of cash flows for the six months ended June 30, 2022 in order to reclassify capitalized cloud computing arrangement expenditures from investing activities to operating activities. The table below reflects the revisions:

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

(in thousands)	Six Months Ended June 30, 2022 As Previously Reported	Reclassification	Revised
Operating Activities			
Cloud computing arrangement expenditures	$ —	$ (5,339)	$ (5,339)
Net cash used in operating activities	$ (30,937)	$ (5,339)	$ (36,276)
Investing Activities			
Purchases of property and equipment	$ (7,477)	$ 5,339	$ (2,138)
Net cash provided by investing activities	$ 8,886	$ 5,339	$ 14,225
Supplemental disclosure of non-cash investing and financing activities:			
Purchase of property and equipment included in accounts payable	$ 533	$ 332	$ 865

The prior misclassification of these capitalized cloud computing arrangement expenditures was not material to the previously issued condensed consolidated financial statements as of and for the six months ended June 30, 2022.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosed in the accompanying notes. Actual results could differ materially from these estimates.

Significant estimates and assumptions which form the basis of amounts reported in the condensed consolidated financial statements include, but are not limited to, the standalone selling prices of our performance obligations; timing of revenue recognition; fair value measurements; net realizable value of inventory; income taxes; and the fair value of intangible assets acquired in business combinations. We base our estimates on current facts and circumstances, historical experience, forecasted results, and various other assumptions that we believe to be reasonable. We obtain reports from third-party valuation experts to inform and support estimates related to certain fair value measurements.

Concentration of Credit Risk and Other Risks and Uncertainties

Financial instruments that potentially expose us to concentrations of credit risk consist principally of cash, cash equivalents, investments, and accounts receivable. Accounts receivable are unsecured. Cash and cash equivalents are deposited with major financial institutions. In certain accounts, we maintain cash balances in excess of federally insured limits. We have not experienced losses in these accounts and believe that we are not exposed to significant risk.

Significant customers are those that represent more than 10% of total revenues for any period presented in the condensed consolidated statements of operations and comprehensive loss, or that represent more than 10% of the gross accounts receivable balance as of either balance sheet date presented. The table below sets forth percentages of revenue and gross accounts receivable attributable to significant customers:

	Accounts Receivable		Revenue			
			Three months ended June 30,		Six months ended June 30,	
	June 30, 2023	December 31, 2022	2023	2022	2023	2022
Customer A	19%	11%	28%	*	36%	25%
Customer B[(1)]	43%	51%	*	*	*	10%
Customer C	*	*	14%	*	*	*

(1) All revenue related to accounts receivable from Customer B was recognized during the year ended December 31, 2022.

* less than 10%

International sales entail a variety of risks, including currency exchange fluctuations, longer payment cycles, and greater difficulty in accounts receivable collection. Customers outside the United States collectively represent 53% and 33% of our revenues for the three months ended June 30, 2023 and 2022, respectively, and represent 59% and 40% of our revenues for the six months ended June 30, 2023 and 2022, respectively. Customers outside of the United States collectively represented 32% and 23% of our gross accounts receivable balance as of June 30, 2023 and December 31, 2022, respectively.

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

Business Combinations

We account for business combinations using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*. Application of this method of accounting requires that (i) identifiable assets acquired (including identifiable intangible assets) and liabilities assumed generally be measured and recognized at fair value as of the acquisition date and (ii) the excess of the purchase price over the net fair value of identifiable assets acquired and liabilities assumed be recognized as goodwill. Transaction costs related to business combinations are expensed as incurred and classified as selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss. Determining the fair value of assets acquired and liabilities assumed in a business combination requires management to use significant judgment and estimates, especially with respect to intangible assets.

During the measurement period, which extends one year from the acquisition date, we may record certain adjustments to the carrying value of the assets acquired and liabilities assumed with a corresponding adjustment to goodwill.

Contingent Consideration

Acquisition-related contingent consideration was initially recorded in the condensed consolidated balance sheets at its acquisition-date estimated fair value, in accordance with the acquisition method of accounting. Contingent consideration liabilities contractually due beyond 12 months are recorded in other long-term liabilities on the condensed consolidated balance sheets. The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss. The fair value measurement is based on significant inputs not observable by market participants and thus represents a Level 3 input in the fair value hierarchy.

Accounts Receivable and Allowance for Expected Credit Losses

Effective January 1, 2023, we adopted the requirements of ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), along with the subsequently issued guidance amending and clarifying various aspects of ASU 2016-13, using the modified retrospective method of adoption. In accordance with that method, the comparative periods’ information continues to be reported under the relevant accounting guidance in effect for that period. For the current period, the standard replaces the existing incurred credit loss model with the current expected credit losses model for financial instruments, including accounts receivable, through a cumulative-effect adjustment to accumulated deficit as of the beginning of the first reporting period in which the guidance is effective.

Accounts receivable are recorded at invoiced amounts, net of an allowance for expected credit losses. We are exposed to credit losses primarily through sales of products and services. The estimation of the allowance for expected credit losses is based on historical loss experience, the current aging status of receivables, current and estimated future economic and market conditions, and specific customer accounts considered to be at risk or uncollectible. We write off accounts receivable against the allowance for expected credit losses when we determine a balance is uncollectible and cease collection efforts. We did not write off any material accounts receivable balances during the periods ended June 30, 2023 and 2022.

The non-current portion of accounts receivable primarily consists of guaranteed minimum fixed royalty payments owed to us under licensing agreements. Non-current accounts receivable are recorded net of significant financing components.

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. We estimate the recoverability of inventory by referencing estimates of future demands and product life cycles, including expiration. We periodically analyze our 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 record a charge to cost of revenue for such inventory as appropriate. 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 condensed consolidated balance sheets.

Intangible Assets

Intangible assets primarily consists of acquired in-process research and development ("IPR&D"). IPR&D relates to substantial research and development efforts that are incomplete at the acquisition date. IPR&D intangible assets are considered indefinite-lived until the completion or abandonment of the associated research and development efforts. During the development phase, these assets are not amortized but are tested for impairment annually during the fourth quarter of the year or more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. Once the IPR&D activities are completed, the intangible asset is amortized over its useful life on a straight-line basis.

Goodwill

Goodwill represents the excess of the purchase price from business combinations over the fair value of the net assets acquired. Goodwill is not amortized but is tested for impairment at least annually during the fourth quarter, or more frequently if events or changes in circumstances indicate that it may be impaired. All of our goodwill is assigned to our one reporting unit.

We perform impairment testing by first assessing qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill. If we conclude that that it is more likely than not that the fair value of the reporting unit is less than its carrying amount, then a quantitative test is required.

If the estimated fair value of the reporting unit exceeds the carrying amount, goodwill is not considered to be impaired. If the carrying value exceeds estimated fair value, there is an impairment of goodwill and an impairment loss would be recorded. The impairment loss is calculating by comparing the fair value of the reporting unit less the carrying amount, including goodwill. Goodwill impairment would be limited to the carrying value of goodwill. There were no goodwill impairment losses recorded in any period presented.

Software Development Costs

Internal-Use Software

The Company capitalizes certain internal and external costs related to the acquisition and development of internal-use software or cloud computing arrangements during the application development stages of projects. The costs incurred for development of software intended for internal use and cloud computing arrangements are capitalized in accordance with ASC 350-40, *Goodwill and Other, Internal-Use Software.* These costs are included in property and equipment, net of accumulated depreciation and amortization in the condensed consolidated balance sheets.

When the software is ready for its intended use, the Company amortizes these costs using the straight-line method over the estimated useful life of the asset, or, for cloud computing service arrangements, over the term of the hosting arrangement. Costs incurred during the preliminary project or the post-implementation/operation stages of the project are expensed as incurred.

Software Developed for Sale

The costs incurred for the development of computer software to be sold, leased, or otherwise marketed are capitalized in accordance with ASC 985-20, *Costs of Software to be Sold, Leased or Marketed*, when technological feasibility has been established. Technological feasibility generally occurs when all planning, design, coding and testing activities are completed that are necessary to establish that the product can be produced to meet its design specifications, including functions, features and technical performance requirements. The establishment of technological feasibility is an ongoing assessment of judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenues, estimated economic life and changes in technology. Capitalized software costs include direct labor and related expenses for software development for new products. Capitalized software costs are included in other long-term assets in the condensed consolidated balance sheets. Costs to develop software to be sold are not yet subject to amortization as our software to be sold was not available for general release as of June 30, 2023.

Impairment of Long-Lived Assets

We evaluate a long-lived asset (or asset group) for impairment whenever events or changes in circumstances indicate that the carrying value of the asset (or asset group) may not be recoverable. If indicators of impairment exist and the undiscounted future cash flows that the asset is expected to generate are less than the carrying value of the asset, an impairment loss is recorded to write down the asset to its estimated fair value based on a discounted cash flow approach. There were no impairment losses recorded in any period presented.

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

Leases

We determine if an arrangement is a lease at inception of the contract. Operating lease right-of-use ("ROU") assets are included in other long-term assets, and operating lease liabilities are included in other current liabilities and other long-term liabilities in the condensed consolidated balance sheets.

ROU assets and operating lease liabilities are recognized based on the present value of the future lease payments over the lease term at commencement date. As the implicit rate in our leases is generally unknown, we use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. We give consideration to our credit risk, term of the lease, total lease payments and adjust for the impacts of collateral, as necessary, when calculating our incremental borrowing rates.

Operating lease ROU assets include lease incentives and initial direct costs incurred. When the lease incentives specify a maximum level of reimbursement and we are reasonably certain to incur reimbursable costs equal to or exceeding this level, we include the lease incentive in the measurement of the ROU assets and lease liabilities at commencement. The lease terms may include options to extend or terminate the lease when it is reasonably certain we will exercise any such options. Lease costs for our operating leases are recognized on a straight-line basis within operating expenses over the lease term in the condensed consolidated statements of operations and comprehensive loss.

We have lease agreements with lease and non-lease components. However, we have elected the practical expedient to not separate lease and non-lease components for all of our existing classes of assets. Therefore, the lease and non-lease components are accounted for as a single lease component. We have also elected to not apply the recognition requirement to any short-term leases with a term of 12 months or less.

We monitor for events or changes in circumstances that may require a reassessment or impairment of our leases, at which time our ROU assets for operating leases may be reduced by impairment losses.

Warrant Liabilities

During February 2021, in connection with CMLS II's initial public offering, CMLS II issued 5,519,991 warrants (the "Public Warrants") to purchase shares of Common Stock at $11.50 per share. Simultaneously, with the consummation of the CMLS II initial public offering, CMLS II issued 5,013,333 warrants through a private placement (the "Private Placement Warrants", and together with the Public Warrants, the "Warrants") to purchase shares of Common Stock at $11.50 per share. All of the Warrants were outstanding as of June 30, 2023.

We classify the Warrants as liabilities on our condensed consolidated balance sheets as these instruments are precluded from being indexed to our own stock given that the terms allow for a settlement adjustment that does not meet the scope for the fixed-for-fixed exception in ASC 815, *Derivatives and Hedging* ("ASC 815"). Since the Warrants meet the definition of a derivative under ASC 815-40, we recorded these warrants as long-term liabilities at fair value on the date of the SPAC Merger, with subsequent changes in their respective fair values recognized within change in fair value of warrant liabilities in the condensed consolidated statements of operations and comprehensive loss at each reporting date. See Note 11, *Stockholders' Equity*, for more information on the Warrants.

Earn-Out Liability

As a result of the SPAC Merger, additional shares of Common Stock were provided to SomaLogic Operating shareholders and to certain employees and directors of SomaLogic ("Earn-Out Service Providers") of up to 3,500,125 and 1,499,875, respectively (the "Earn-Out Shares"). The Earn-Out Shares are payable if the price of our Common Stock is greater than or equal to $20.00 for a period of at least 20 out of 30 consecutive trading days at any time between the 13- and 24-month anniversary of the closing date of the SPAC Merger (the "Triggering Event"). Any Earn-Out Shares issuable to an Earn-Out Service Provider (the "Service Provider Earn-Outs") shall be issued only if such individual continues to provide services (whether as an employee or director) 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 Operating shareholders in accordance with their respective pro rata Earn-Out Shares.

The Earn-Out Shares granted to shareholders are recognized as a liability in accordance with ASC 815. The liability was included as part of the consideration transferred in the SPAC Merger and was recorded at fair value. The earn-out liability is remeasured at the end of each reporting period, with subsequent changes in fair value recognized within change in fair value of earn-out liability in the condensed consolidated statements of operations and comprehensive loss.

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 our 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.

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 good or service and collection is one year or less. We expense 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

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. 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 equipment and kit sales to customers that assay samples in their own laboratories, referred to as authorized sites. Equipment is generally accounted for as a bundle with installation, qualification and training services. Revenue is recognized based on the progress made toward achieving the performance obligation utilizing input methods, including costs incurred. Revenue from kit sales is recognized upon transfer of control to the customer. Shipping and handling costs billed to customers are included in product revenue in the condensed consolidated statements of operations and comprehensive loss.

Collaboration Revenue

In July 2011, NEC Corporation ("NEC") and SomaLogic 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. This agreement includes a clause whereby if there is a material breach of the contract or change in control of SomaLogic, we may be required to pay a fee to terminate the agreement.

We determined that the SAA met the criteria set forth in ASC 808, *Collaborative Arrangements*, ("ASC 808") because both parties were active participants and were exposed to significant risks and rewards dependent on commercial failure or success. We 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 condensed consolidated statements of operations and comprehensive loss.

In March 2020, NEC and SomaLogic mutually terminated the SAA and concurrently SomaLogic and NEC Solution Innovators, Ltd. ("NES"), a wholly owned subsidiary of NEC, entered into a new arrangement, the Joint Development & Commercialization Agreement (the "JDCA"), to develop and commercialize SomaScan® services in Japan. NES agreed to make annual payments of $2.0 million for five years, for a total of $10.0 million, in exchange for research and development activities, as described below. We 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 our intellectual property.

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

(i) Research and Development Activities

We determined that NES is not a customer with respect to the research and development activities associated with the collaboration arrangement under ASC 808. We recognize revenue from these activities based on the progress made toward achieving the performance obligation utilizing input methods, including costs incurred, in collaboration revenue in the condensed consolidated statements of operations and comprehensive loss.

(ii) Assay Services

We determined that NES is a customer for the assay services performance obligation, which should be accounted for using the criteria under ASC 606. We receive 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 condensed consolidated statements of operations and comprehensive loss.

(iii) License of Intellectual Property

We determined that NES is a customer for the license performance obligation, which should be accounted for using the criteria under ASC 606. We receive 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 condensed consolidated statements of operations and comprehensive loss.

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 a 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. We recognize revenue for sales-based or usage-based royalties promised in exchange for a functional 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, SomaLogic and New England Biolabs, Inc. ("NEB") entered into an exclusive licensing agreement, whereby we provide a license to use certain proprietary information and know-how relating to its aptamer technology to make and use commercial products. In exchange, we receive royalties from NEB for this functional license of intellectual property. In September 2022, SomaLogic and NEB entered into a license and settlement agreement ("NEB Agreement") that terminated the existing exclusive licensing arrangement and provided for a settlement of $8.0 million of previously constrained royalties recognized for the year ended December 31, 2022. The NEB Agreement also provided a non-exclusive license arrangement for the same proprietary information and know-how under which we are guaranteed fixed minimum royalties of $15.0 million to be received over 3 years. We recognized revenue for the guaranteed fixed minimum royalties of $13.2 million for the year ended December 31, 2022, net of a significant financing component of $1.8 million. Any revenue above the guaranteed fixed minimum royalties is recognized in the period in which the subsequent sale or usage has occurred. We have recorded a receivable of $13.1 million as of June 30, 2023, of which $8.9 million is recorded in accounts receivable, net of current portion and $4.2 million is recorded in accounts receivable, net on the condensed consolidated balance sheets. Interest income related to the significant financing component was $0.2 million and $0.4 million for the three and six months ended June 30, 2023, respectively, and is included in interest income and other, net in the condensed consolidated statements of operations and comprehensive loss.

Grant revenue represents funding under cost reimbursement programs or fixed rate arrangements from government agencies and non-profit foundations for qualified research and development activities performed by SomaLogic. We recognize 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 SomaLogic. Grant revenue is recognized when the related costs are incurred and recorded in other revenue in the condensed consolidated statements of operations and comprehensive loss.

Illumina Cambridge, Ltd.

On December 31, 2021, we entered into a multi-year arrangement with Illumina Cambridge, Ltd. ("Illumina Agreement") to jointly develop and commercialize co-branded kits that will combine Illumina's Next Generation Sequencing ("NGS") technology with SomaLogic's SomaScan technology. Pursuant to the agreement, we received a non-refundable upfront payment of $30.0 million on January 4, 2022. This arrangement is accounted for in accordance with

ASC 606. We concluded there are two performance obligations: (1) SOMAmer reagents necessary to develop and commercialize NGS based proteomic products, inclusive of the rights to licenses, patents and training to allow for the use of such reagents and (2) an option to purchase goods post-commercialization with a material right ("Material Right"). The total transaction price is subject to a constraint since it is uncertain that commercialization will be achieved; and therefore the transaction price was determined to be $30.0 million and was allocated to each of the performance obligations identified on a relative standalone selling price basis. Revenue from the performance obligations is recognized as follows in product revenue in the condensed consolidated statements of operations and comprehensive loss:

Reagents: Revenue is recognized when control transfers to the customer (i.e., when the SOMAmer reagents are shipped). We estimated the standalone selling price ("SSP") based on observable pricing of similar performance obligations.

Material Right: Revenue is recognized when Illumina exercises its option to purchase goods post-commercialization. We estimated the SSP based on an incremental discount to be provided to the customer adjusted for the likelihood that Illumina will exercise the option.

In June 2022, Illumina issued a purchase order that changed the promises under the Illumina Agreement. The purchase order represents a contract modification that is accounted for prospectively as if it were a termination of the existing contract and the creation of a new contract.

As a result, we determined that there were three new performance obligations (total of five performance obligations): (1) equipment bundle that includes customization services, integration services, system qualification services, site initiation services and training ("Equipment Bundle"), (2) qualification kits, and (3) support services. The contract modification resulted in an increase in the transaction price of $0.5 million. The updated transaction price was allocated between the performance obligations on a relative SSP basis. We estimated the SSP based on observable pricing of similar performance obligations. Revenue from the performance obligations is recognized as follows in product revenue in the condensed consolidated statements of operations and comprehensive loss:

Equipment Bundle: Revenue is recognized based on the progress made toward achieving the performance obligation utilizing input methods, including costs incurred.

Qualification Kits: Revenue is recognized when control transfers to the customer (i.e., when the qualification kits are shipped).

Support Services: Revenue is recognized for the support services as the services are provided.

We did not recognize any revenue during the three and six months ended June 30, 2023 or 2022 pursuant to the Illumina Agreement for performance obligations satisfied.

Restricted Cash

Restricted cash represents cash on deposit with a financial institution as security for letters of credit outstanding for the benefit of the landlords related to operating leases and a bank guarantee with an international customer. The portion of restricted cash expected to be released within twelve months is classified as prepaid expenses and other current assets on the condensed consolidated balance sheets was $0.5 million and $4.7 million as of June 30, 2023 and December 31, 2022, respectively. Cash expected to be restricted for greater than twelve months is classified as other long-term assets on the condensed consolidated balance sheets was $0.6 million and $0.8 million as of June 30, 2023 and December 31, 2022.

Income Taxes

We use the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between the tax bases of assets and liabilities and their respective financial reporting amounts, based on enacted tax laws and statutory tax rates applicable to the periods in which these temporary differences are expected to reverse. We evaluate the need to establish or release a valuation allowance based upon expected levels of taxable income, future reversals of existing temporary differences, tax planning strategies, and recent financial operations. Valuation allowances are established to reduce deferred tax assets to the amount expected to be more likely than not realized in the future.

The effect of income tax positions is recognized only when it is more likely than not to be sustained. Interest and penalties associated with uncertain tax positions are recorded in income tax benefit (provision) in the condensed consolidated statements of operations and comprehensive loss.

Segment Information

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

Other Significant Accounting Policies

Our significant accounting policies are described in our 2022 Form 10-K. There have been no significant changes to those policies.

Recent Accounting Pronouncements

We are 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. We have elected to use this extended transition period and, as a result, we 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 we remain an emerging growth company.

Recently Adopted Accounting Standards

Financial Instruments — Credit Losses. In June 2016, the FASB issued ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which sets forth a "current expected credit loss" ("CECL") model that requires us 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. We adopted ASU 2016-13, as amended, on January 1, 2023 using a modified retrospective approach and recorded a cumulative effect adjustment to accumulated deficit. The adoption of ASU 2016-13 did not have a material impact on our condensed consolidated financial statements.

Note 3 — Revenue

The following table disaggregates our revenue by product line:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Assay services revenue	$ 16,597	$ 10,931	$ 35,016	$ 29,731
Product revenue	2,909	714	4,095	1,167
Collaboration revenue	762	762	1,525	1,525
Other revenue:				
Royalties	—	930	—	3,885
Other	200	807	211	816
Total other revenue	200	1,737	211	4,701
Total revenue	$ 20,468	$ 14,144	$ 40,847	$ 37,124

Contract Balances and Remaining Performance Obligations

As of June 30, 2023 and December 31, 2022, deferred revenue of $36.3 million and $35.1 million, respectively, was comprised of balances related to our collaboration revenue, product, assay services, and other revenue. As of June 30, 2023 and December 31, 2022, the portion of deferred revenue related to collaboration revenue was $3.3 million and $2.9 million, respectively. As of June 30, 2023, the estimated remaining performance period is 1.8 years. As of June 30, 2023 and December 31, 2022, the portion of deferred revenue related to assay services and other revenue was $2.5 million and $1.8 million, respectively. As of June 30, 2023, the deferred revenue related to assay services and other revenue will be recognized within 12 months.

As of June 30, 2023 and December 31, 2022, the deferred product revenue related to the Illumina Agreement amounted to $30.4 million for each period. As of June 30, 2023, the estimated remaining performance obligation period is approximately 7.5 years.

During the three and six months ended June 30, 2023, we recognized revenue of $0.4 million and $1.6 million, respectively, from deferred revenue recorded in prior periods.

Note 4 — Accounts Receivable, net

Accounts receivable, net consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Accounts receivable	$ 31,421	$ 26,441
Less: allowance for expected credit losses	(630)	(151)
Accounts receivable, net	$ 30,791	$ 26,290
Accounts receivable, net (current)	$ 21,750	$ 17,006
Accounts receivable, net of current portion	$ 9,041	$ 9,284

Note 5 — Business Combinations

On August 31, 2022, we acquired 100% of the equity interests in Palamedrix, Inc. ("Palamedrix") (the "Palamedrix Acquisition") in exchange for purchase consideration of $29.7 million. Consideration transferred included cash of $15.8 million, equity consideration of $12.5 million, and contingent consideration of $1.4 million. Palamedrix is a DNA nano tech firm that provides scientific and engineering expertise, miniaturization technology and enhanced ease-of-use capabilities that we intend to leverage as we develop the next generation of SomaScan® Assay.

The Palamedrix Acquisition provided for up to $0.5 million to be paid to the founders contingent upon settlement of pre-acquisition legal matters. It also provided for three potential additional payments of up to $17.5 million to the owners, including non-founder and founder employees, to be settled in cash and/or Common Stock contingent on the achievement of certain net sales milestone targets by the fifth and sixth year anniversary of the closing date of the acquisition (the "Milestone Consideration").

Note 6 — Fair Value Measurements

Assets measured at fair value on a recurring basis

The following tables set forth our financial assets measured at fair value on a recurring basis and the level of inputs used in such measurements:

As of June 30, 2023 *(in thousands)*	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Aggregate Fair Value	Fair Value Level
Cash and cash equivalents:					
Cash	$ 20,010	$ —	$ —	$ 20,010	Level 1
Money market funds	289,678	—	—	289,678	Level 1
U.S. Treasuries	44,841	15	—	44,856	Level 1
Total cash and cash equivalents	354,529	15	—	354,544	
Investments:					
Commercial paper	13,720	1	(8)	13,713	Level 2
U.S. Treasuries	98,418	33	—	98,451	Level 2
Agency bonds	7,491	—	(9)	7,482	Level 2
Total investments	119,629	34	(17)	119,646	
Total assets measured at fair value on a recurring basis	$ 474,158	$ 49	$ (17)	$ 474,190	

As of December 31, 2022 (in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Aggregate Fair Value	Fair Value Level
Cash and cash equivalents:					
Cash	$ 44,045	$ —	$ —	$ 44,045	Level 1
Money market funds	377,785	—	—	377,785	Level 1
Total cash and cash equivalents	421,830	—	—	421,830	
Investments:					
Commercial paper	58,794	—	(195)	58,599	Level 2
U.S. Treasuries	35,252	—	(175)	35,077	Level 2
Corporate bonds	11,782	—	(39)	11,743	Level 2
Agency bonds	12,426	—	(87)	12,339	Level 2
Total investments	118,254	—	(496)	117,758	
Total assets measured at fair value on a recurring basis	$ 540,084	$ —	$ (496)	$ 539,588	

As of June 30, 2023 and December 31, 2022, we had $0.2 million and $0.5 million, respectively, of accrued interest on investments recorded in prepaid expenses and other current assets on the condensed consolidated balance sheets.

Our investments consist of money market funds, commercial paper, U.S. Treasuries, corporate bonds, and agency bonds. All of the commercial paper, U.S. Treasuries, corporate bonds and agency bonds are designated as available-for-sale securities and 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.

We classify our investments in money market funds within Level 1 of the fair value hierarchy because they are valued using quoted market prices. We classify our commercial paper, U.S. Treasuries, asset-backed securities, corporate bonds and agency bonds as Level 2 and obtain 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.

We adopted ASU 2016-13 on January 1, 2023. Under the new guidance, we evaluated our available-for-sale securities with unrealized losses for impairment, considering available evidence, including the extent to which fair value is less than cost, whether an allowance for expected credit loss is required, and adverse factors that could affect the value of the securities. Any unrealized losses from declines in fair value below the amortized cost basis as a result of non-credit factors are recognized in accumulated other comprehensive loss as a separate component of stockholders' equity, along with unrealized gains. Realized gains and losses and declines in fair value, if any, on available-for-sale securities are included in interest and other income, net in the condensed consolidated statements of operations and comprehensive loss.

We evaluated the available-for-sale securities as of June 30, 2023 and determined that no available-for-sale securities in an unrealized loss position are arising from credit related reasons. Additionally, we do not intend to sell or believe that it is not more likely than not that we will be required to sell the securities before recovery of the amortized cost bases and have therefore not recorded any allowances for available-for-sale securities in our allowance for expected credit losses as of June 30, 2023. We did not recognize material realized gains or losses for the three or six months ended June 30, 2023.

Liabilities measured at fair value on a recurring basis

The following table presents information about our liabilities that are measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation inputs we utilized to determine such fair value:

(in thousands)	June 30, 2023	December 31, 2022	Fair Value Level
Warrant liability - public warrants	$ 1,380	$ 2,208	Level 1
Warrant liability - private placement warrants	1,253	2,005	Level 2
Earn-out liability	—	15	Level 3
Milestone contingent consideration	1,620	1,165	Level 3
Holdback contingent consideration	450	450	Level 3
Total liabilities measured at fair value on a recurring basis	$ 4,703	$ 5,843	

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

Liabilities that are measured at fair value on a recurring basis are recorded on the condensed consolidated balance sheet as of June 30, 2023 as follows:

(in thousands)	June 30, 2023	December 31, 2022
Other current liabilities	$ 450	$ —
Warrant liabilities	2,633	4,213
Other long-term liabilities	1,620	1,630
Total liabilities measured at fair value on a recurring basis	$ 4,703	$ 5,843

Warrant liabilities

The public warrants were valued using Level 1 inputs as they are traded in an active market. The fair value of the private placement warrants is equivalent to that of the public warrants as they have substantially the same terms; however, as they are not actively traded, they are classified as Level 2 in the hierarchy table above.

Earn-out liability

The fair value of the Earn-Out Shares was estimated using a Monte Carlo simulation model. The fair value is based on the simulated price of the Company over the maturity date of the contingent consideration and increased by estimated forfeitures of Earn-Out Shares issued to Earn-Out Service Providers. During the three months ended March 31, 2023, the earn-out liability was determined to be immaterial and was fully written off.

Milestone Contingent Consideration

The fair value of milestone contingent consideration was estimated using a Monte Carlo simulation model. The fair value is based on an option pricing framework, whereby a range of possible scenarios were simulated around forecasted net sales.

The significant unobservable inputs used in the Monte Carlo simulation to measure the milestone contingent consideration that are categorized within Level 3 of the fair value hierarchy were as follows:

	June 30, 2023	December 31, 2022
Volatility	35.0%	35.0 %
Risk-free rate	4.1%	4.0 %
Weighted average cost of capital	30.0%	30.0 %
Cost of debt	10.0%	10.0 %

The change in the fair value of the milestone contingent consideration is summarized as follows:

(in thousands)	Fair Value
Balance as of December 31, 2022	$ 1,165
Change in fair value of milestone contingent consideration	455
Balance as of June 30, 2023	$ 1,620

Holdback Contingent Consideration

The fair value of holdback contingent consideration was estimated using a scenario-based analysis. The fair value is based on the expected holdback release date and expected holdback payment. The future expected payments were discounted to the valuation date using the cost of debt.

The significant unobservable inputs used in the scenario-based analysis to measure the holdback contingent consideration that are categorized within Level 3 of the fair value hierarchy were as follows:

	June 30, 2023	December 31, 2022
Cost of debt	10.6%	10.2 %

Note 7 — Leases

We have operating leases for certain office spaces with lease terms ranging from two to five years. These leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options at our election to renew or extend the leases for additional periods ranging from three to ten years. These optional periods have not been considered in the determination of the ROU assets or lease liabilities associated with these leases as we did not consider the exercise of these options to be reasonably certain. The ROU asset is included in other long-term assets on the condensed consolidated balance sheets and was $2.8 million and $3.9 million as of June 30, 2023, and December 31, 2022, respectively.

Lease Costs

Lease costs for operating leases are recognized on a straight-line basis over the lease term. The total lease cost for the period was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Operating lease cost	$ 591	$ 406	$ 1,182	$ 807
Variable lease cost	326	209	704	390
Short-term lease cost	12	12	24	23
Total lease cost	$ 929	$ 627	$ 1,910	$ 1,220

Lease Maturities

The table below reconciles the undiscounted lease payment maturities to the lease liabilities for our operating leases:

(in thousands)	June 30, 2023
Remainder of 2023	$ 1,285
2024	1,143
2025	834
2026	143
Total	3,405
Less: amount of lease payments representing interest	(93)
Present value of future minimum lease payments	3,312
Less: current operating lease liabilities (included in other current liabilities)	(1,963)
Long-term operating lease liabilities (included in other long-term liabilities)	$ 1,349

Supplemental Lease Information

Supplemental information related to our operating leases was as follows:

	June 30, 2023
Weighted average remaining lease term	2.0 years
Weighted average discount rate	2.6 %

Cash paid for amounts included in the measurement of our operating lease liabilities for the six months ended June 30, 2023 and 2022 was $1.3 million and $0.9 million, respectively.

In February 2022, we executed two separate lease agreements (the “Leases”) to lease buildings pending construction that had not yet commenced. Both leases were set to expire on November 30, 2033, unless extended or early terminated in accordance with the terms of the lease. In accordance with the lease agreements, we made a deposit of $4.1 million during the first quarter of 2022. The deposit was restricted from withdrawal and held by a bank in the form of collateral for an irrevocable standby letter of credit held as security.

On August 25, 2022, we entered into a lease termination agreement (the “Lease Termination”) for the Leases prior to lease commencement. As consideration for the termination of the Leases, we agreed to pay the landlord a termination fee of $6.0 million of which $2.5 million was paid on the termination date. During the fourth quarter of 2022 the remaining liability was reduced by $1.0 million after the landlord entered into a separate lease with a third party. The remaining $2.5 million liability was paid in January 2023 and the $4.1 million deposit was released in March 2023.

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

Note 8 — Inventory

Inventory consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Raw materials	$ 23,418	$ 16,710
Work in process	1,492	1,191
Finished goods	509	639
Total inventory	$ 25,419	$ 18,540
Inventory (current)	$ 15,123	$ 13,897
Non-current inventory	$ 10,296	$ 4,643

Note 9 — Accrued Liabilities and Other Long-Term Liabilities

Accrued liabilities consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Accrued compensation	$ 9,172	$ 13,897
Accrued restructuring costs	442	2,223
Accrued lease termination fee	—	2,500
Accrued real estate agent commission	—	764
Accrued medical claims	646	663
Other	666	631
Total accrued liabilities	$ 10,926	$ 20,678

Other long-term liabilities consisted of the following:

(in thousands)	June 30, 2023	December 31, 2022
Long-term operating lease liabilities	$ 1,349	$ 2,063
Milestone consideration replacement award liability	1,699	1,261
Milestone contingent consideration	1,620	1,165
Holdback contingent consideration[1]	—	450
Long-term deferred tax liability	585	585
Earn-out liability	—	15
Total other long-term liabilities	$ 5,253	$ 5,539

(1) As of June 30, 2023, the holdback contingent consideration is included within other current liabilities on the condensed consolidated balance sheet.

Note 10 — Commitments and Contingencies

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, we enter into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. Our exposure under these agreements is unknown because it involves claims that may be made against us in the future, but that have not yet been made. To date, we have not paid any claims or been required to defend any action related to our indemnification obligations. However, we may record charges in the future as a result of these indemnification obligations.

SomaLogic, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

Note 11 — Stockholders' Equity

Under our amended and restated certificate of incorporation, we are authorized to issue 600,000,000 shares of Common Stock, par value of $0.0001 per share, and 1,000,000 shares of preferred stock, par value $0.0001 per share.

As of June 30, 2023, there were an aggregate of 5,519,991 and 5,013,333 outstanding public warrants and private placement warrants, respectively. Each warrant entitles the holder to purchase one share of our Common Stock at a price of $11.50 per share at any time commencing on February 25, 2022. As of June 30, 2023, no warrants have been exercised. The warrants will expire on September 1, 2026 or earlier upon redemption or liquidation.

There have been no significant changes to the disclosures in our 2022 Form 10-K related to Common Stock, preferred stock, or our public and private placement warrants, including warrant redemption terms.

Note 12 — Stock-based Compensation

We have various stock-based compensation plans, which are more fully described in Part II, Item 8 *"Financial Statements and Supplementary Data - Note 13 to the Consolidated Financial Statements - Stock-based Compensation*" in the 2022 Form 10-K. Under the 2021 Omnibus Incentive Plan (the "2021 Plan"), we have the ability to grant several forms of incentive awards to our eligible employees, directors, and non-employee consultants.

Effective January 2023, we increased the reserve of Common Stock for issuance under all incentive plans by approximately 9 million shares in accordance with the 2021 Plan.

The following table summarizes our stock-based compensation expense:

	Three months ended June 30,		Six Months Ended June 30,	
(in thousands)	**2023**	**2022**	**2023**	**2022**
Cost of assay services revenue	$ 186	$ 292	$ 376	$ 583
Cost of product revenue	28	18	38	25
Research and development	1,340	1,834	3,110	3,566
Selling, general and administrative	2,753	7,316	7,966	13,957
Total stock-based compensation	$ 4,307	$ 9,460	$ 11,490	$ 18,131

The following table summarizes activity for stock options and RSUs during the six months ended June 30, 2023:

	Stock Options[(1)]	**RSUs[(2)]**
Outstanding as of December 31, 2022	23,541,194	3,084,379
Granted	5,438,689	1,130,838
Exercised or Issued	(124,004)	(185,863)
Forfeited	(3,792,335)	(821,136)
Expired	(62,857)	—
Outstanding as of June 30, 2023	25,000,687	3,208,218

(1) The stock options generally 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.

(2) The RSUs vest subject to the satisfaction of service requirements. The grant date fair values of these awards are determined based on the closing price of our Common Stock on the date of grant.

We also incurred incremental stock-based compensation expense related to option modifications of $0.3 million and $1.3 million for the three and six months ended June 30, 2023. We incurred incremental stock-based compensation related to option modifications of nil and $0.1 million for the three and six months ended June 30, 2022.

We recorded nil and $3.7 million in stock-based compensation expense related to the Service Provider Earn-Outs during the six months ended June 30, 2023 and 2022, respectively. As the derived service period has passed, expenses related to the Service Provider Earn-Outs were fully recognized as of December 31, 2022.

Note 13 — Income Taxes

There has historically been no federal or state provision for income taxes because we have incurred operating losses and maintain a valuation allowance against our net realizable deferred tax assets in the United States. For the three and six months ended June 30, 2023 and 2022, we recognized no provision for income taxes in the United States. The provision for foreign income taxes was immaterial for the three and six months ended June 30, 2023 and 2022.

Utilization of our net operating loss and tax credit carryforwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such an annual limitation could result in the expiration or elimination of the net operating loss and tax credit carryforwards before utilization. Management believes that the limitation will not limit utilization of the carryforwards prior to their expiration.

Note 14 — Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except share and per share data)	2023	2022	2023	2022
Net loss	$ (24,772)	$ (22,985)	$ (58,974)	$ (26,964)
Weighted-average shares outstanding, basic and diluted	186,741,112	183,143,391	186,633,391	182,599,949
Net loss per share, basic and diluted	$ (0.13)	$ (0.13)	$ (0.32)	$ (0.15)

During periods in which we incur a net loss, diluted weighted average shares outstanding are equal to basic weighted average shares outstanding because the effect of all awards is anti-dilutive. 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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Anti-dilutive shares:				
Stock options to purchase common stock	25,000,687	23,032,593	25,000,687	23,032,593
Public warrants and private placement warrants	10,533,324	10,533,324	10,533,324	10,533,324
Unvested RSUs	3,208,218	546,712	3,208,218	546,712
Replacement awards subject to vesting conditions	1,209,801	—	1,209,801	—
Total anti-dilutive shares	39,952,030	34,112,629	39,952,030	34,112,629

Note 15 — Related Parties

Casdin Partners Master Fund, L.P ("Casdin"), founded by Eli Casdin, a member of our Board of Directors and our principal owner, was a shareholder of Palamedrix. Upon our acquisition of Palamedrix, Casdin received $0.8 million in cash, $0.8 million in equity, and the right to receive up to $0.3 million of Milestone Consideration related to the achievement of net sales milestones.

Note 16 — Restructuring

On December 16, 2022, following the completion of a strategic review of our business, we announced a workforce reduction plan (the "Strategic Reorganization") to reduce operating costs and focus on long-term growth opportunities in our life sciences business. Under this Strategic Reorganization, we reduced our workforce by approximately 16%, with a majority of these employees separating in December and the remaining affected employees separating over the next three-month period. Employees who were impacted by the restructuring were eligible to receive severance benefits contingent upon an impacted employee's execution of a separation agreement, which included a general release of claims against us. Certain impacted employees were covered by employment agreements or an existing severance plan that provides termination benefits.

One-time termination benefits were recorded pursuant to ASC 420, *Exit or Disposal Cost Obligations,* while termination benefits under ongoing benefit arrangements were recorded pursuant to ASC 712, *Compensation - Nonretirement Postemployment Benefits.*

We recognized restructuring charges of approximately $0.1 million and $1.1 million primarily related to one-time termination benefits during the three and six months ended June 30, 2023, respectively. We do not expect to incur additional material employee severance and benefits expense. This reflects our best estimate, which may be revised in subsequent periods as the Strategic Reorganization progresses.

The following table outlines the components of the restructuring charges included in the condensed consolidated statements of operations and comprehensive loss:

(in thousands)	Three Months Ended June 30, 2023	Six months ended June 30, 2023
Cost of assay services revenue	$ —	$ 19
Research and development	—	243
Selling, general and administrative	59	838
Total employee severance and benefits	$ 59	$ 1,100

The following table outlines the changes in liabilities associated with our Strategic Reorganization, including restructuring expenses incurred and cash payments for the six months ended June 30, 2023:

(in thousands)	
Balance at December 31, 2022	$ 2,223
Accruals	1,062
Payments	(2,843)
Balance at June 30, 2023	$ 442

The restructuring liabilities are included in accrued liabilities in the condensed consolidated balance sheets. We expect that substantially all of the remaining accrued restructuring liabilities will be paid in cash over the next 12 months. The charges recognized in the rollforward of our accrued restructuring liabilities do not include items charged directly to expense for extension of the exercise period of vested options.

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

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements, and the related notes thereto, presented in this Quarterly Report on Form 10-Q as well as our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"). The following discussion and analysis contains forward-looking statements based upon our 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 *Cautionary Note Regarding Forward-Looking Statements* *included elsewhere in this Quarterly Report on Form 10-Q. Unless the context otherwise requires, all references in this section to the "Company," "we," "us" or "our" refer to the business of SomaLogic prior to the consummation of the SPAC Merger, and to the Company and its consolidated subsidiaries following the consummation of the SPAC Merger.*

SomaLogic, Inc. and our Predecessor

SomaLogic was originally formed as a special purpose acquisition company under the name CM Life Sciences II Inc. for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses. Prior to the SPAC Merger, it did not have historical financial operating results. SomaLogic Operating, our accounting predecessor, is a leading commercial-stage proteomics company. In connection with the SPAC Merger, SomaLogic Operating became a wholly owned subsidiary of SomaLogic.

Business Overview

SomaLogic is a leading commercial-stage proteomics company. We have built an integrated proteomics platform ("SomaScan 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. We currently run our platform within our own laboratory, receive samples from customers and provide them proteomics analysis services. We have also developed an integrated solution comprising kits and select equipment that enables customers to use our SomaScan Platform at their own sites and leverage our bioinformatics capabilities to analyze the data.

On August 31, 2022, we completed the acquisition of Palamedrix, Inc. Palamedrix is a DNA nano tech firm that provides deep scientific and engineering expertise, miniaturization technology and enhanced ease-of-use capabilities that we intend to leverage as it develops the next generation of SomaScan® Assay. The acquisition expands the development of our portfolio of services, while enhancing our research capabilities, and providing an immediate footprint in the San Diego area with already-established staff, lab, and strong local talent pool.

Effects of Inflation

Inflation has impacted our results of operations for the six-month period ended June 30, 2023, and our business could continue to be affected by inflation in the future.

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:
    - We have a well-established base of marquee customer and Key Opinion Leader ("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.
    - 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.
    - We continue to focus on growing our proteomics database and artificial intelligence and machine learning analytics to drive value and market opportunities.
    - We expect our total revenue may vary from period to period based on, among other things, the timing and size of new contracts, fluctuations in customer consumption of and adoption trends, ramp time and productivity of our salesforce, the impact of significant transactions, and seasonality. Failure to effectively develop and expand our sales and marketing capabilities or improve the productivity of our

sales and marketing organization could harm our ability to expand our potential customer and sales pipeline, increase our customer base, and achieve broader market acceptance of our offering.

- Continued investment in growth:
  - We 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.
- Ability to lower the costs associated with performing the assay:
  - We intend to reduce the cost of manufacturing inventory by, in part, 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 intend 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 procurement and budgeting cycles of many of our customers, especially government- or grant-funded customers, whose cycles often coincide with government fiscal year ends.
- Expansion of our proteomic content:
  - To maintain our competitive advantage, we plan to increase the number of protein reagents for commercial availability based on allocated funding, resource availability, and the successful validation of new reagents.
- Macroeconomic conditions:
  - A deterioration in macroeconomic economic conditions including risk of recession, decreased government funding, effects of inflation, labor shortages, supply chain issues and higher interest rates could impact both our and our customers' operations. We could experience pricing pressure and decreased demand as a result.

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 United States 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 equipment and kit sales, which enable our customers to bring the SomaScan® proteomic platform in-house and to build lines of business based on this technology. The establishment of SomaScan® Certified Sites will allow SomaLogic to quickly grow into new geographic regions and expand our customer base.

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. We recognize royalty revenue for fees paid by customers in return for a license to make, use or sell certain licensed products in certain geographic areas in the period in which the subsequent sale or usage has occurred. A license arrangement entered into in September 2022 with New England BioLabs (“NEB”) includes guaranteed fixed minimum royalties for which revenue has been recognized, net of the effect of a significant financing component. Any revenue above the guaranteed fixed minimum royalties 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 we perform. We expect other revenue to continue to grow as we expand our commercial team and continue to pursue additional 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 costs for production variances, such as yield losses, material usages, spending and capacity variances. Cost of assay services revenue is recognized in the period the related revenue is recognized.

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 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 primarily of raw materials, equipment 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 condensed consolidated statements of operations and comprehensive loss.

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, U.S Treasuries, asset-backed securities, corporate bonds, and agency bonds. Interest income and other, net also includes interest income recognized related to a significant financing component.

Change in fair value of warrant liabilities

Change in fair value of warrant liabilities consists of changes in fair value related to the Public Warrant and Private Warrant liabilities. The warrant liabilities are classified as marked-to-market liabilities pursuant to ASC 815, *Derivatives and Hedging*, and the corresponding increase or decrease in value impacts our net loss.

Change in fair value of earn-out liability

Change in fair value of earn-out liability consists of changes in the earn-out liability related to Earn-Out Shares issued as part of the SPAC Merger. The earn-out liability is classified as a marked-to-market liability pursuant to ASC 815 and the corresponding increase or decrease in value impacts our net loss.

Results of Operations

Comparison of the three months ended June 30, 2023 versus the three months ended June 30, 2022

Revenue

	Three Months Ended June 30,		Change	
(in thousands)	2023	2022	$	%
Assay services revenue	$ 16,597	$ 10,931	$ 5,666	52 %
Product revenue	2,909	714	2,195	NM
Collaboration revenue	762	762	—	— %
Other revenue	200	1,737	(1,537)	(88)%
Total revenue	$ 20,468	$ 14,144	$ 6,324	45 %

NM A percentage calculation is not meaningful due to change in signs, a zero-value denominator or a percentage change greater than 200.

Total revenue increased by $6.3 million, or 45%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The overall growth was driven by the continued adoption of the SomaScan Platform.

Assay services revenue increased $5.7 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The growth was driven by an increase in the volume of samples received and processed during the current period.

Product revenue increased by $2.2 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 primarily due to an increase in the volume of kit sales.

Other revenue decreased by $1.5 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease is primarily driven by timing of revenue recognition for our guaranteed fixed minimum royalties under our agreement with NEB. The aggregate amount of the guaranteed fixed minimum royalties was recognized immediately upon entering the agreement with NEB in September of 2022, resulting in no revenue recognized for the three months ended June 30, 2023. However, we continue to receive fixed minimum royalty payments under this agreement. Other revenue further declined due to a decrease in grant revenue.

Cost of revenue

	Three Months Ended June 30,		Change	
(in thousands)	2023	2022	$	%
Cost of assay services revenue	$ 9,677	$ 6,571	$ 3,106	47 %
Cost of product revenue	1,498	506	992	196 %
Total cost of revenue	$ 11,175	$ 7,077	$ 4,098	58 %

Total cost of revenue increased by $4.1 million, or 58%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022.

Cost of assay services revenue increased by $3.1 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 primarily due to an increase in the volume of samples processed in the current period.

Cost of product revenue increased by $1.0 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 primarily due to an increase in the volume of kit sales.

Research and development

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Change $	Change %
Research and development	$ 10,815	$ 17,636	$ (6,821)	(39)%

Research and development expenses decreased by $6.8 million, or 39%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease was primarily due to a $4.4 million reduction in consulting fees and supplies costs related to content expansion and other internal projects. The decrease was further driven by a $3.4 million reduction in clinical studies costs. These decreases were partially offset by a $1.0 million increase in salaries and benefits due to increased headcount.

Selling, general, and administrative

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Change $	Change %
Selling, general and administrative	$ 29,573	$ 36,812	$ (7,239)	(20)%

Selling, general, and administrative expenses decreased by $7.2 million, or 20%, for the three months ended June 30, 2023 compared to the three months ended June 30, 2022. The decrease was primarily driven by a $5.0 million decrease in stock-based compensation expense. Stock-based compensation expense decreased as a result of expense associated with Service Provider Earn-Out awards becoming fully recognized as of December 31, 2022. Stock-based compensation expense also decreased following our reduction in headcount and the departure of certain prior officers of the Company. The decrease in selling, general and administrative expenses was further driven by a $4.0 million decrease in marketing costs. The decrease in selling, general and administrative was partially offset by a $1.5 million increase in professional services fees, and $0.3 million increase in stock-based compensation expense related to the accelerated vesting of options held by terminated executives.

Other income

(in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Change $	Change %
Other income:				
Interest income and other, net	$ 5,798	$ 838	$ 4,960	NM
Change in fair value of warrant liabilities	527	14,536	(14,009)	(96)%
Change in fair value of earn-out liability	—	9,027	(9,027)	(100)%
Total other income	$ 6,325	$ 24,401	$ (18,076)	(74)%

NM A percentage calculation is not meaningful due to change in signs, a zero-value denominator or a percentage change greater than 200.

Interest income and other, net increased by $5.0 million for the three months ended June 30, 2023 compared to the three months ended June 30, 2022 due to higher interest rates during the current period.

The change in fair value of warrant liabilities resulted in a gain of $0.5 million for the three months ended June 30, 2023, due to the quarterly remeasurement of the warrant liabilities.

No change in fair value of the earn-out liability was recorded during the three months ended June 30, 2023 as the earn-out liability was written off during the three months ended March 31, 2023.

Comparison of the six months ended June 30, 2023 versus the six months ended June 30, 2022

Revenue

	Six Months Ended June 30,		Change	
(in thousands)	**2023**	**2022**	**$**	**%**
Assay services revenue	$ 35,016	$ 29,731	$ 5,285	18 %
Product revenue	4,095	1,167	2,928	NM
Collaboration revenue	1,525	1,525	—	— %
Other revenue	211	4,701	(4,490)	(96)%
Total revenue	$ 40,847	$ 37,124	$ 3,723	10 %

NM A percentage calculation is not meaningful due to change in signs, a zero-value denominator or a percentage change greater than 200.

Total revenue increased by $3.7 million, or 10%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The overall growth was driven by the continued adoption of the SomaScan Platform.

Assay services revenue increased by $5.3 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The growth was driven by an increase in the volume of samples received and processed during the current period.

Product revenue increased by $2.9 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 primarily due to an increase in the volume of kit sales.

Other revenue decreased by $4.5 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease is primarily driven by timing of revenue recognition for our guaranteed fixed minimum royalties under our agreement with NEB. The aggregate amount of our guaranteed fixed minimum royalties was recognized immediately upon entering the agreement with NEB in September of 2022, resulting in no revenue recognized for the six months ended June 30, 2023. However, we continue to receive royalty payments under this agreement. Other revenue further declined due to a decrease in grant revenue.

Cost of revenue

	Six Months Ended June 30,		Change	
(in thousands)	**2023**	**2022**	**$**	**%**
Cost of assay services revenue	$ 21,359	$ 17,951	$ 3,408	19 %
Cost of product revenue	2,132	778	1,354	174 %
Total cost of revenue	$ 23,491	$ 18,729	$ 4,762	25 %

Total cost of revenue increased by $4.8 million, or 25%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022.

Cost of assay services revenue increased by $3.4 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 primarily due to an increase in the volume of samples processed in the current period.

Cost of product revenue increased by $1.4 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 primarily due to increased sales volume of kits.

Research and development

	Six Months Ended June 30,		Change	
(in thousands)	**2023**	**2022**	**$**	**%**
Research and development	$ 24,882	$ 31,436	$ (6,554)	(21)%

Research and development expenses decreased by $6.6 million, or 21%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease was primarily due to a $6.6 million reduction in consulting fees and supplies costs related to content expansion and other internal projects. The decrease was further driven by a $3.8 million reduction in clinical studies costs. These decreases were partially offset by a $3.8 million increase in salaries and benefits due to increased headcount.

Selling, general, and administrative

	Six Months Ended June 30,		Change	
(in thousands)	2023	2022	$	%
Selling, general and administrative	$ 63,762	$ 67,627	$ (3,865)	(6)%

Selling, general, and administrative decreased by $3.9 million, or 6%, for the six months ended June 30, 2023 compared to the six months ended June 30, 2022. The decrease in selling, general and administrative was primarily due to a $4.8 million decrease in services incurred related to marketing initiatives and product development and a $7.5 million decrease in stock based compensation. The decrease in stock based compensation is driven by full expense recognition of the Service Provider Earn-Outs as of December 31, 2022 and departure of terminated executives throughout 2022 and 2023. The decrease in selling, general and administrative is offset by $3.2 million increase in advisory and management services, $2.1 million increase in wages and benefits due to increased headcount in our commercial and administrative teams, a $1.3 million stock based compensation expense related to the accelerated vesting of options held by terminated executives, $1.0 million of severance related to terminated executives. We have also incurred $0.8 million of restructuring charges during the period ended June 30, 2023.

Other income

	Six Months Ended June 30,		Change	
(in thousands)	2023	2022	$	%
Other income:				
Interest income and other, net	$ 10,723	$ 1,047	$ 9,676	NM
Change in fair value of warrant liabilities	1,580	27,176	(25,596)	(94)%
Change in fair value of earn-out liability	15	25,489	(25,474)	(100)%
Loss on extinguishment of debt, net	—	—	—	NM
Total other income	$ 12,318	$ 53,712	$ (41,394)	(77)%

NM A percentage calculation is not meaningful due to change in signs, a zero-value denominator or a percentage change greater than 200.

Interest income and other, net increased by $9.7 million for the six months ended June 30, 2023 compared to the six months ended June 30, 2022 due to higher interest rates during the six months ended June 30, 2023 compared to the six months ended June 30, 2022.

The change in fair value of warrant liabilities resulted in a gain of $1.6 million during the six months ended June 30, 2023, due to the quarterly remeasurement of the warrant liabilities.

The change in fair value of the earn-out liability resulted in a in an immaterial gain for the six months ended June 30, 2023, due to the quarterly remeasurement of the earn-out liability. The earn-out liability was fully written off during the period ended June 30, 2023.

Non-GAAP Financial Measures

We present non-GAAP financial measures in order to assist readers of our condensed consolidated financial statements in understanding the core operating results used by management to evaluate and run the business, as well as, for financial planning purposes. Our non-GAAP financial measure, Adjusted EBITDA, provides an additional tool for investors to use in comparing our financial performance over multiple periods.

Adjusted EBITDA is a key performance measure that our management uses to assess its operating performance. Adjusted EBITDA facilitates internal comparisons of our operating performance on a more consistent basis, and we use this measure for business planning, forecasting, and decision-making. We believe that Adjusted EBITDA enhances an investor's understanding of our financial performance as it is useful in assessing our operating performance from period-to-period by excluding certain items that we believe are not representative of our core business.

Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net loss as determined in accordance with GAAP or as an indicator of our operating performance. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance. Our presentation of Adjusted EBITDA should not be construed as an inference that our results will be unaffected by those adjusted items. Our Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate this measure in the same manner.

Adjusted EBITDA

We calculate Adjusted EBITDA as net loss adjusted to exclude interest expense, net, depreciation and amortization, income tax provision, and other non-recurring items. The other non-recurring items include the change in the fair value of warrant liabilities, change in fair value of the earn-out liability, stock-based compensation expense related to equity award modifications, and restructuring charges.

The following table is a reconciliation of net loss in accordance with GAAP to non-GAAP adjusted EBITDA for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	2023	2022	2023	2022
Net loss	$ (24,772)	$ (22,985)	$ (58,974)	$ (26,964)
Adjustments to reconcile to EBITDA:				
Interest income and other, net	(5,798)	(838)	(10,723)	(1,047)
Income tax provision	2	5	4	8
Depreciation and amortization	1,890	963	3,644	1,718
EBITDA	(28,678)	(22,855)	(66,049)	(26,285)
Adjustments to reconcile to Adjusted EBITDA:				
Change in fair value of warrant liabilities [1]	(527)	(14,536)	(1,580)	(27,176)
Change in fair value of earn-out liability [2]	—	(9,027)	(15)	(25,489)
Stock compensation expense related to equity award modifications [3]	272	—	1,224	—
Restructuring charges [4]	59	—	1,100	—
Adjusted EBITDA	$ (28,874)	$ (46,418)	$ (65,320)	$ (78,950)

(1) Represents change in fair value of warrant liabilities. See Note 6, *Fair Value Measurements*, for more details.
(2) Represents change in fair value of earn-out liability. See Note 6, *Fair Value Measurements*, for more details.
(3) Represents stock-based compensation expense related to equity award modifications that occurred separately from our Strategic Reorganization. See Note 12, *Stock-based Compensation*, for more details.
(4) Represents restructuring charges related to the Strategic Reorganization consisting of severance costs, other termination benefit costs, and non-cash stock-based compensation expense. See Note 16, *Restructuring*, for more details.

Liquidity and Capital Resources

Liquidity Outlook

We believe that our existing cash and cash equivalents and investments 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. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies.

Cash Sources

Historically, our primary sources of liquidity have been proceeds from the SPAC Merger, cash collected from our customers, net proceeds from sale of our capital stock, and borrowings from debt facilities. During the first six months of 2023, our primary source of liquidity was cash collected from our customers in the amount of $37.0 million.

As of June 30, 2023, we did not have any outstanding debt.

Cash Uses

Historically, our primary use of cash has been to invest in research and development, our laboratory process, commercial infrastructure and scale our operations to support growth.

We may be required to seek additional equity or debt financing. In the event we require 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 administrative and laboratory facilities. As of June 30, 2023, our total future minimum lease commitments were $3.4 million.

Cash flows

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
(in thousands)	**2023**	**2022**
Net cash used in operating activities	$ (69,282)	$ (36,276)
Net cash provided by investing activities	(2,693)	14,225
Net cash provided by financing activities	422	4,885
Effect of exchange rates on cash, cash equivalents and restricted cash	(12)	(20)
Net increase in cash, cash equivalents and restricted cash	$ (71,565)	$ (17,186)

Cash flows from operating activities

Cash used in operating activities for the six months ended June 30, 2023 was $69.3 million, and was primarily attributable to a net loss of $59.0 million, which included a non-cash gain on the change in fair value of warrant liabilities of $1.6 million and non-cash accretion of discount on available-for-sale securities, net, of $1.1 million. This was partially offset by non-cash stock-based compensation expense of $11.5 million and non-cash depreciation and amortization of $3.6 million. Additionally, we incurred $0.9 million in cloud computing arrangement expenditures and experienced a net decrease in our operating assets and liabilities of $23.5 million.

Cash flows from investing activities

Cash provided by investing activities for the six months ended June 30, 2023 was $2.7 million, consisting of $3.8 million for the purchases of available-for sale securities, net of proceeds from sales and maturities of available-for sale securities, and $2.1 million for the purchase of property and equipment.

Cash flows from financing activities

Cash provided by financing activities for the six months ended June 30, 2023 was $0.4 million, which was attributable to the 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 condensed consolidated financial statements which have been prepared in accordance with United States generally accepted accounting principles, or GAAP. The preparation of the condensed 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 our condensed 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.

Our significant accounting policies are described in more detail in Note 2, *Significant Accounting Policies*, in our 2022 Form 10-K. Our most critical accounting policies and estimates are those that require difficult, subjective, and/or complex judgments and estimates and are used in the preparation of our consolidated financial statements. Our critical accounting policies and estimates are described in more detail in *Critical Accounting Policies and Estimates* in our 2022 Form 10-K. There have been no significant changes to our critical accounting policies and estimates disclosed in our 2022 Form 10-K for the year ended December 31, 2022.

Recently Issued Accounting Pronouncements

Please refer to Note 2, *Significant Accounting Policies - Recent Accounting Pronouncements*, in “Part I. Financial Information - Item 1. Financial Statements” for a discussion of recent accounting pronouncements and their anticipated effect on our business.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of June 30, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of June 30, 2023, based on the material weaknesses described below. In light of these material weaknesses, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. generally accepted accounting principles. Based on such analysis and notwithstanding the identified material weaknesses, management, including our Chief Executive Officer and Chief Financial Officer, believe the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with GAAP.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term as defined in Rules 13a-15(f)and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

Our internal control over financial reporting includes policies and procedures that: (i) pertain to maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; (ii) provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures of company assets are made in accordance with our management and directors authorization; and (iii) provide reasonable assurance regarding the prevention of or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

As of June 30, 2023, our management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in "Internal Control – Integrated Framework (2013)", issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this assessment and those criteria, management determined that our internal control over financial reporting was not effective as of June 30, 2023, due to the material weaknesses described below.

Previously Identified Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

The following material weaknesses were identified as a result of management’s assessment:

- As discussed in our Annual Reports on Form 10-K filed for the years ended December 31, 2021 and 2020, we identified a material weakness in our internal control over financial reporting due to ineffective controls over the financial statement close process and lack of sufficient accounting and financial reporting personnel to ensure consistent application of GAAP and compliance with SEC rules and regulations.

- As discussed in our Annual Report on Form 10-K filed for the year ended December 31, 2022, we continued to identify material weaknesses related to the design and operation of controls supporting key principles related to the control activities, information and communication, and monitoring components of the COSO framework over: (i) significant nonrecurring transactions and events, (ii) inventory costing and classification, and (iii) the classification and presentation of the consolidated statement of cash flows. Specifically, management failed to design and implement certain risk assessment controls related to identifying and analyzing risks to achieve control objectives, and failed to address the impact of changes in the business on the system of internal controls

- As discussed in our Annual Report on Form 10-K filed for the year ended December 31, 2022, we identified a material weakness related to our information technology general controls. Specifically, effective controls were not maintained over user access to our Enterprise Resources (ERP) system that supports the accounting and reporting processes, causing a lack of segregation of duties in key processes.

These material weaknesses will not be considered remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded through testing that these controls are effective. See “Remediation Plan” for details.

Remediation Plan

We are committed to the planning and implementation of remediation efforts to address control deficiencies and other identified areas of risk. In particular:

- We will enhance the design of existing controls, and where necessary, implement additional controls, over our accounting for significant nonrecurring transactions and will maintain evidence of management review controls.

- We will increase the deployment of both internal and external specialists to assist our management with the evaluation of the accounting for significant nonrecurring transactions.

- We will design and implement controls over inventory costing and classification.

- We will design and implement controls to ensure that all cash inflow and outflow activity is appropriately classified and presented within the statements of cash flow.

- We will remove unnecessary user access to our financially relevant IT systems based on job responsibilities and are in the process of reconfiguring the mapping of “roles and assigned privileges” to “duties” to ensure adequate segregation of duties is maintained within our ERP system.

- We will implement timely periodic reviews of existing user and administrator security roles and privileges.

- We will enhance the design of our information technology general controls over user access provisioning and monitoring controls to enforce appropriate system access and segregation of duties.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the first quarter of 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are party to lawsuits arising in the ordinary course of our business. We cannot predict the outcome of any such lawsuits with certainty, but management believes it is remote that pending or threatened legal matters will have a material adverse impact on our financial condition.

Due to the nature of our business, we are, from time to time, involved in other routine litigation or subject to disputes or claims related to our business activities. In the opinion of our management, none of these other pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations.

Item 1A. Risk Factors

There are numerous factors that affect our business and operating results, many of which are beyond our control. The following risk factor supplements and, to the extent inconsistent, supersedes, the risk factors described in Part I, “Item IA. Risk Factors” in our 2022 Form 10-K. The risk factor included herein as well as the risk factors described in the 2022 Form 10-K should be carefully considered, together with the other information contained or incorporated by reference in this Quarterly Report on Form 10-Q and in our other filings with SEC in connection with evaluating us, our business and the forward-looking statements contained in this Quarterly Report on Form 10-Q. Additional risks and uncertainties not known to us at present, or that we currently deem immaterial, may affect us. The occurrence of any of these known or unknown risks could have a material adverse impact on our business, financial condition and results of operations.

We use artificial intelligence and machine learning in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.

We currently incorporate artificial intelligence and machine learning (“AI”) solutions into our bioinformatics capabilities, and these applications may become important in our operations over time. Our competitors or other third parties may incorporate AI into their products and offerings more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be inaccurate, deficient, or biased, our business, financial condition, and results of operations may be adversely affected. The use of AI applications has resulted in, and may in the future result in, cybersecurity incidents that implicate the sensitive data of customers analyzed within such applications. Any such cybersecurity incidents related to our use of AI applications for analysis of sensitive data could adversely affect our reputation and results of operations. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI and it various uses, will require significant resources to develop, test and maintain our intelligence cloud platform, offerings, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact.

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

None.

Item 3. Default Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
10.1	Second Amendment to Supply Agreement, dated April 11, 2023, between SomaLogic, Inc. and Agilent Technologies, Inc.			
10.2	Eliot M. Lurier Consulting Agreement, dated June 6, 2023, between SomaLogic, Inc. and Danforth			
10.3	Separation Agreement and General Release, dated June 8, 2023, between SomaLogic, Inc. and Shaun Blakeman			
10.4	Second Agreement to Collaboration Agreement, dated June 15, 2023, among SomaLogic, Inc., Illumina Cambridge, Ltd., and Illumina Inc.	8-K	10.1	6/22/2023
31.1*	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act Rules, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2*	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act Rules, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1**	Certifications by Chief Executive Officer pursuant to Title 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002			
32.2**	Certifications by Chief Financial Officer pursuant to Title 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002.			
101.IN*	Inline XBRL Instance Document			
101.SCH*	Inline XBRL Schema Document			
101.CAL*	Inline XBRL Calculation Linkbase Document			
101.LAB*	Inline XBRL Label Linkbase Document			
101.PRE*	Inline XBRL Presentation Linkbase Document			
101.DEF*	Inline XBRL Taxonomy Extension Definition LinkBase Document			
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)			
*	Filed herewith.			
**	Furnished 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 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.

SIGNATURES

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

			SomaLogic, Inc.
Date:	August 14, 2023	By:	*/s/ Adam Taich*
			Adam Taich
			Interim Chief Executive Officer
			(Principal Executive Officer)
Date:	August 14, 2023	By:	*/s/ Eliot Lurier*
			Eliot Lurier
			Interim Chief Financial Officer
			(Principal Financial and Accounting Officer)

Exhibit 10.1

SECOND AMENDMENT TO LSG MICROARRAY SUPPLY AGREEMENT

This Second Amendment to LSG Microarray Supply Agreement ("**Second Amendment**"), effective as of the date of the last signature below (the "**Amendment Date**"), is by and between **Agilent Technologies, Inc.** ("**Agilent**") and **SomaLogic Operating Co., Inc.** ("**Customer**") (collectively, the "**Parties**") and is intended to amend certain terms of the LSG Microarray Supply Agreement, dated April 8, 2019, between the Parties (as amended, the "**Agreement**"). All capitalized terms used but not otherwise defined herein have the meanings set forth in the Agreement.

By this Second Amendment, the Parties wish to amend certain terms of the Agreement to permit Customer to provide Products independent of Test Kits under certain limited circumstances and for Customer to engage sub-resellers, each in accordance with this Second Amendment.

The Parties agree as follows:

1. **Definitions**. The first paragraph of the Agreement is amended to delete the definition of "SomaScan Client" in its entirety and replace it with the following:

   > "**SomaScan Client**" means either: (a) a third party laboratory that purchases Test Kits from Customer in accordance with the terms of a written agreement between such third party laboratory and Customer; or (b) an authorized sub-reseller (as permitted under and in accordance with this Agreement) pursuant to the terms of a written agreement between such third party laboratory and such sub-reseller, in each case where such written agreements are made in accordance with the terms of this Agreement.

2. **Change of Name**. The Parties acknowledge that as of September 1, 2021, SomaLogic, Inc. has changed its name to SomaLogic Operating Co., Inc.

3. **Scope**. Section 1(a) of the Agreement (SCOPE) is amended and restated in its entirety as follows:

   > "Subject to the terms of this Agreement, Agilent will supply Products to Customer for: (1) Customer's use of the Products (i) to provide DNA microarray services to its customers and collaborators, and (ii) for internal research and development; and (2) Customer's sale to SomaScan Clients (either directly or through an authorized sub-reseller) as either (a) an integral part of Test Kits for RUO Applications; or (b) a separate component independent of a Test Kit solely for the purposes of: (i) troubleshooting and providing technical support for purchased Test Kits for RUO Applications, (ii) replacing defective or otherwise damaged Products that were originally purchased as a component of a Test Kit for RUO Applications, or (iii) supplementing the contents of any originally purchased Test Kit for RUO Applications to enable complete use of all other materials supplied with such Test Kits."

4. **Sub-Resellers.** Section 3(w) of the Agreement is amended and restated in its entirety as follows:

   > "(w) Customer may not engage sub-resellers to resell Products or Test Kits, except that with Agilent's prior written consent, to be provided within thirty (30) days of Customer identifying a sub-reseller to Agilent, such consent not to be unreasonably withheld, Customer may engage sub-resellers to resell Test Kits to SomaScan Clients in a particular country if: (i) applicable law prohibits direct sale by Customer of Test Kits to such SomaScan Clients, or (ii) it is logistically or otherwise impractical for Customer to sell directly to SomaScan Clients in such country. Customer shall be fully responsible for

all of its sub-resellers and any breach of this Agreement by a sub-reseller shall be deemed a breach by Customer.

5. **Continuing Effect**. Except as specifically amended by this Second Amendment, all terms and conditions of the Agreement will continue in full force and effect during the Term of the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their respective duly authorized representatives as of the Amendment Date.

Agilent Technologies, Inc.	**SomaLogic Operating Co., Inc.**
By:	By:
Name:	Name: ______________________________
Title:	Title: ______________________________

CONSULTING AGREEMENT

This Consulting Agreement (the “Agreement”) is made effective as of June [___], 2023 (the “Effective Date”), by and between SomaLogic Operating Co., Inc., a Delaware corporation, with its principal place of business being 2945 Wilderness Place, Boulder, CO 80301 (the “Company”) and Danforth Advisors, LLC, a Massachusetts limited liability company, with its principal place of business being 91 Middle Road, Southborough, MA 01772 (“Danforth”). The Company and Danforth are herein sometimes referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, the Company is a commercial-stage proteomics company that enables researchers to analyze various types of biological samples for protein biomarker signatures; and

WHEREAS, Danforth has expertise in financial and corporate operations and strategy; and

WHEREAS, Danforth desires to serve as an independent consultant for the purpose of providing the Company with certain strategic and financial advice and support services, using personnel described in Exhibit A attached hereto (the “Services”); and

WHEREAS, the Company wishes to engage Danforth on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties agree and covenant as follows.

1. Services of Consultant. Danforth will assist the Company with matters relating to the Services to be provided by Danforth’s employees or contracted agents (the “Danforth Personnel”). The Services are more fully described in Exhibit A attached hereto. Danforth and the Company will review the Services on a monthly basis to determine appropriate staffing requirements. Company shall have the right to request changes to the Danforth Personnel at any time in writing. If Company makes a written request, Danforth shall add to and/or change the Danforth Personnel subject to the Company’s right of pre-approval. Additional personnel will bill at their billable rate in effect at the time they are added to the Agreement.

2. Compensation for Services. In full consideration of Danforth’s full, prompt and faithful performance of the Services, the Company shall compensate Danforth a consulting fee more fully described in Exhibit A (the “Consulting Fee”). Danforth shall, from time to time, but not more frequently than twice per calendar month, invoice the Company for Services rendered, and such invoice will be paid upon 30 days of receipt. Each month the Parties shall evaluate jointly the current fee structure and scope of Services. Danforth reserves the right to an annual increase in rates set forth in Exhibit A of up to 10%, effective January 1 of each year. Upon termination of this Agreement pursuant to Section 3, no compensation or benefits of any kind as described in this Section 2 shall be payable or issuable to Danforth after the effective date of such termination. In addition to payment for Services, the Company will reimburse Danforth for reasonable out-of-pocket business expenses, including but not limited to travel and parking, incurred by Danforth in performing the Services hereunder, upon submission by Danforth of supporting documentation reasonably acceptable to the Company. Any such accrued expenses in any given three (3) month period that exceed $1,000 shall be submitted to the Company for its prior written approval.

All Danforth invoices and billing matters should be addressed to:

Company Accounts Payable Contact:

Name: Kasey Price
Title: Manager, Accounting
Address: 2945 Wilderness Place
Boulder, CO 80301
E-mail: ap@somalogic.com

All Company payments and billing inquiries should be addressed to:

Danforth Accounting: Betsy Sherr
bsherr@danforthadvisors.com
Danforth Advisors
P.O. Box 335
Southborough, MA 01772

3. Term and Termination. The term of this Agreement will commence on the Effective Date and will continue until such time as either Party has given notice of termination pursuant to this Section 3 (the "Term"). This Agreement may be terminated by either Party hereto: (a) with Cause (as defined below), upon 30 days prior written notice to the other Party; or (b) without cause upon 60 days prior written notice to the other Party upon payment of all amounts due and owing hereunder. For purposes of this Section 3, "Cause" shall include: (i) a breach of the terms of this Agreement which is not cured within 30 days of written notice of such default or (ii) the commission of any act of fraud or embezzlement. The provisions of Sections 7, 9, 10, 13 and 22 will survive the termination of this Agreement.

4. Time Commitment. Danforth will devote such time to perform the Services under this Agreement as may reasonably be required. Danforth does not guarantee time and materials estimates in any way and such estimates are not fixed prices. Danforth will notify the Company as soon as practicable if an estimate will be exceeded.

5. Place of Performance. Danforth will perform the Services at such locations upon which the Company and Danforth may mutually agree. Danforth will not, without the prior written consent of the Company, perform any of the Services at any facility or in any manner that might give anyone other than the Company any rights to or allow for disclosure of any Confidential Information (as defined below).

6. Compliance with Policies and Guidelines. Danforth will perform the Services in accordance with all rules or policies adopted by the Company that the Company discloses in writing to Danforth.

7. Confidential Information. Danforth acknowledges and agrees that during the course of performing the Services, the Company may furnish, disclose or make available to Danforth information, including, but not limited to, material, compilations, data, formulae, models, patent disclosures, procedures, processes, business plans, projections, protocols, results of experimentation and testing, specifications, strategies and techniques, and all tangible and intangible embodiments thereof of any kind whatsoever (including, but not limited to, any apparatus, biological or chemical materials, animals, cells, compositions, documents, drawings, machinery, patent applications, records and reports), which is owned or controlled by the Company and is marked or designated as confidential at the time of disclosure or is of a type that is customarily considered to be confidential information (collectively the "Confidential Information"). Danforth

acknowledges that the Confidential Information or any part thereof is the exclusive property of the Company and shall not be disclosed to any third party without first obtaining the written consent of the Company. Danforth further agrees to take all practical steps to ensure that the Confidential Information, and any part thereof, shall not be disclosed or issued to its affiliates, agents or employees, except on like terms of confidentiality. The above provisions of confidentiality shall apply until the termination of this Agreement and for a period of five (5) years after termination of this Agreement. With respect to trade secrets, the confidentiality obligations of Danforth and its affiliates, agents or employees shall survive any termination of this Agreement for so long as the Confidential Information remains a trade secret under applicable law. Pursuant to the Defend Trade Secrets Act of 2016, Danforth acknowledges that Danforth will not have criminal or civil liability under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Danforth files a lawsuit for retaliation by Company for reporting a suspected violation of law, Danforth may disclose the trade secret to its attorney and may use the trade secret information in the court proceeding, if Danforth (i) files any document containing the trade secret under seal and (ii) does not disclose the trade secret, except pursuant to court order. Notwithstanding anything to the contrary set forth in this Agreement, Danforth shall have the right to collect and analyze budget and budget- related data that does not refer to or identify the Company or any individual. The Company acknowledges that Danforth will be compiling aggregated, anonymized data based on this information from the Company and other Danforth clients for the purpose of enhancing the Services provided by Danforth to the Company (the “Aggregated Data”). The Company hereby grants Danforth a non-exclusive, worldwide, perpetual, royalty-free right and license, during and after the expiration of the Term, to use and distribute such Aggregated Data to improve and enhance the Services. No rights or licenses are granted except as expressly set forth herein.

8. Use of Name and Logo. The Company agrees to permit the use of its name and logo in a roster of Danforth clients, which may appear on the Danforth website and in its marketing materials.

9. Intellectual Property. Danforth agrees that all ideas, inventions, discoveries, creations, manuscripts, properties, innovations, improvements, know-how, designs, developments, apparatus, techniques, methods, and formulae that Danforth conceives, makes, develops or improves as a result of performing the Services, whether or not reduced to practice and whether or not patentable, alone or in conjunction with any other party and whether or not at the request or upon the suggestion of the Company (all of the foregoing being hereinafter collectively referred to as the “Inventions”), shall be the sole and exclusive property of the Company. To the extent that any of the Inventions do not constitute a “work made for hire”, Danforth hereby irrevocably assigns, and shall cause Danforth Personnel to irrevocably assign to Company, at the Company’s sole cost and expense, all right, title, and interest throughout the world in and to the Inventions, including all intellectual property rights therein. Danforth shall cause Danforth Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Danforth Personnel may now or hereafter have in any jurisdiction to so-called “moral rights” or rights of droit moral with respect to the Inventions. Upon the reasonable request of Company and at the Company’s sole cost and expense, Danforth shall, and shall cause Danforth Personnel to, promptly take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Company to prosecute, register, perfect, or record its rights in or to any Inventions.

10. Non-Solicitation. All Danforth Personnel representing Danforth are employees or contracted agents of Danforth. Accordingly, they are not retainable as employees or contractors by the Company and the Company hereby agrees not to solicit, hire or retain their services for so long as they are employees or contracted agents of Danforth and for two years thereafter. Should the Company violate this restriction, it agrees to pay Danforth liquidated damages equal to fifty percent (50%) of the employee's starting annual base salary and target annual bonus for each Danforth contracted agent hired by the Company in violation of this Agreement **plus** Danforth's reasonable attorneys' fees and costs incurred in enforcing this Agreement should the Company fail or refuse to pay the liquidated damages amount in full within 30 days following its violation. For purposes herein, "solicit" does not include broad-based recruiting efforts, including, without limitation, help wanted advertising and posting of open positions on a party's internet site.

11. Placement Services. In the event that Danforth refers a potential employee to the Company and that individual is hired, Danforth shall receive a fee equal to 30% of the employee's starting annual base salary and target annual bonus. This fee is due and owing whether an individual is hired, directly or indirectly on a permanent basis or on a contract or consulting basis by the Company, as a result of Danforth's efforts within one year of the date applicant(s) are submitted to the Company. Such payment is due within 30 days of the employee's start date.

12. Limited Warranty. Danforth represents and warrants that (a) it will perform Services in accordance with (i) the terms of this Agreement and any timelines agreed upon by the Parties, and (ii) all applicable industry standards and all applicable laws, regulations, rules and guidelines; and (b) Danforth and Danforth Personnel or any other person used by Danforth to perform Services has not been (i) debarred, convicted, or is subject to a pending debarment or conviction, pursuant to the United States Food, Drug and Cosmetic Act, or (ii) listed by any government or regulatory agencies as ineligible to participate in any government healthcare programs or government procurement or non-procurement programs, or excluded, debarred, suspended or otherwise made ineligible to participate in any such program. Except for any express warranties stated herein, the Services are provided on an "as is" basis, and the Company disclaims any and all other warranties, conditions, or representations (express, implied, oral or written), relating to the Services or any part thereof. Further, in performing the Services, Danforth is not engaged to disclose illegal acts, including fraud or defalcations, which may have taken place. The foregoing notwithstanding, Danforth will promptly notify the Company if Danforth becomes aware of any such illegal acts during the performance of the Services. Because the Services do not constitute an examination in accordance with standards established by the American Institute of Certified Public Accountants (the "AICPA"), Danforth is precluded from expressing an opinion as to whether financial statements provided by the Company are in conformity with generally accepted accounting principles or any other standards or guidelines promulgated by the AICPA, or whether the underlying financial and other data provide a reasonable basis for the statements.

13. Indemnification. Each Party hereto agrees to indemnify and hold the other Party hereto, its directors, officers, agents and employees harmless against any third party claim based upon circumstances alleged to be inconsistent with such representations and/or warranties contained in this Agreement. The Company will endeavor to add Danforth to its insurance policies as additional insureds. Further, the Company shall indemnify and hold harmless Danforth and any of its subcontractors against any third party claim that arises out of or is based on the Inventions (as defined in Section 9 above), except for any such claims, losses, damages or liabilities arising out of the gross negligence or willful misconduct of Danforth or any of its subcontractors. Furthermore, during the Term of this

Agreement, if the Company desires that Danforth provide treasury services, the Company shall obtain and maintain a Crime and Cyber Insurance Policy that includes coverage for "Social Engineering" claims and extends coverage to Danforth.

14. D&O Insurance. The Company shall specifically include and cover, as a benefit for their protection, Danforth staff serving as directors or officers of the Company or affiliates from time to time with direct coverage as named insureds under the Company's policy for directors' and officers' ("D&O") insurance. The Company will maintain such D&O insurance coverage for the period through which claims can be made against such persons. The Company disclaims a right to distribution from the D&O insurance coverage with respect to such persons. In the event that the Company is unable to include Danforth under the Company's policy or does not have first dollar coverage acceptable to Danforth in effect for at least $5 million (e.g., such policy is not reserved based on actions that have been or are expected to be filed against officers and directors alleging prior acts that may give rise to a claim), Danforth may, at its option, attempt to purchase a separate D&O policy that will cover the Danforth staff only. The cost of same shall be invoiced to the Company as an out -of -pocket cash expense. If Danforth is unable to purchase such D&O insurance, then Danforth reserves the right to terminate the Agreement upon delivery of written notice.

15. Independent Contractor. Danforth is not, nor shall Danforth be deemed to be at any time during the term of this Agreement, an employee of the Company, and therefore Danforth shall not be entitled to any benefits provided by the Company to its employees, if applicable. Danforth's status and relationship with the Company shall be that of an independent contractor and consultant. Danforth shall not state or imply, directly or indirectly, that Danforth is empowered to bind the Company without the Company's prior written consent. Nothing herein shall create, expressly or by implication, a partnership, joint venture or other association between the parties. Danforth will be solely responsible for payment of all charges and taxes arising from his or her relationship to the Company as a consultant. Except as expressly provided herein, nothing in this Agreement shall preclude Danforth from consulting for or being employed by any other person or entity.

16. Records. Upon termination of Danforth's relationship with the Company, Danforth shall deliver to the Company any property or Confidential Information of the Company relating to the Services which may be in its possession including products, project plans, materials, memoranda, notes, records, reports, laboratory notebooks, or other documents or photocopies and any such information stored using electronic medium.

17. Notices. Any notice under this Agreement shall be in writing (except in the case of verbal communications, emails and teleconferences updating either Party as to the status of work hereunder) and shall be deemed delivered upon personal delivery, one day after being sent via a reputable nationwide overnight courier service or two days after deposit in the mail or on the next business day following transmittal via facsimile. Notices under this Agreement shall be sent to the following representatives of the Parties:

If to the Company:

Name: Ruben Gutierrez
Title: General Counsel
Address: 2945 Wilderness Place
Boulder, CO 80301

E-mail: rgutierrez@somalogic.com

If to Danforth:

Name: Gregg Beloff
Title: Managing Director
Address: 91 Middle Road
Southborough, MA 01772
USA
Phone: (617) 686-7679
E-mail: gbeloff@danforthadvisors.com

18. Assignment and Successors. This Agreement may not be assigned by a Party without the consent of the other which consent shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, in whole or in part, to any of its Affiliates, to any purchaser of all or substantially all of its assets or to any successor corporation resulting from any merger or consolidation of such Party with or into such corporation.

19. Force Majeure. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of either Party. In the event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

20. Headings. The Section headings are intended for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

21. Integration; Severability. This Agreement is the sole agreement with respect to the subject matter hereof and shall supersede all other agreements and understandings between the Parties with respect to the same. If any provision of this Agreement is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the Parties that the remainder of the Agreement shall not be affected.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Massachusetts or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the Commonwealth of Massachusetts. Any legal suit, action or proceeding arising out of or related to this Agreement or the matters contemplated hereunder shall be instituted exclusively in the federal courts of the United States or the courts of the Commonwealth of Massachusetts, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding and waives any objection based on improper venue or forum non convenience. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. Additionally, all parties irrevocably and unconditionally waive any right they may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement. In the event of any litigation in relation to this Agreement, the non-prevailing party shall reimburse the prevailing party for all reasonable costs and expenses (including reasonable attorneys' fees) associated with such

litigation upon receipt of a final, non-appealable judgment from a court of competent jurisdiction.

23. Amendments and Waivers. This Agreement may be amended or supplemented only by a written instrument duly executed by each of the Parties. No provision of this Agreement may be waived except by a written instrument signed by the Party hereto sought to be bound. No failure or delay by any Party in exercising any right or remedy hereunder or under applicable law will operate as a waiver thereof, and a waiver of a particular right or remedy on one occasion will not be deemed a waiver of any other light or remedy, or a waiver on any subsequent occasion.

24. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

DANFORTH ADVISORS, LLC	**SOMALOGIC OPERATING CO., INC.**
By: _________________________	By: ____________________________
Name: Chris Connors	Print Name: Jason Ryan
Title: Chief Executive Officer	Title: Director
Date: _______________________	Date: __________________________

EXHIBIT A

1. Description of Services and Schedule of Fees

Danforth will perform mutually agreed upon finance and accounting and HR functions which are necessary to support the management and operations of the Company including, but not limited to, the functions set forth below:

F&A

Role	Hourly Rate	Function
Sr. Advisor	$650/hour	Senior Advisory
CFO/Managing Director	$525/hour	CFO/Advisory
Sr. Director	$410/hour	Principal Accounting Officer
Director	$385/hour	VP Finance
Sr Manager	$300/hour	Sr Controller/FP&A
Manager	$250/hour	Controller
Sr. Consultant	$185/hour	Asst. Controller
Consultant	$145/hour	Staff Accountant
Risk Management	$540/hour	Insurance/D&O
Tax Specialist	$275/hour	Tax Returns

HR

Role	Hourly Rate	Function
HR Managing Director	$415/hour	Human Resources
Senior HR Consultant II	$340/hour	Human Resources
Senior HR Consultant I	$320/hour	Human Resources
HR Consultant II	$275/hour	Human Resources
HR Consultant I	$225/hour	Human Resources
HR Specialist II	$195/hour	Human Resources
HR Specialist I	$145/hour	Human Resources

Initial Staffing will be Eliot Lurier, a CFO, who has been interviewed and approved by the Company. Additional personnel will be added in accordance with Section 1 of this Agreement.

2. Description of CBO Services and Schedule of Fees

Danforth will perform mutually agreed to outsourcing activities which are necessary to support the management and operations of identified clinical studies which may include:

• **Customized strategic outsourcing planning** – Define the clinical outsourcing strategy and plan based on your in-house capabilities and special requirements, and coordinate with clinical operations and finance.

• **CRO/CMC/Vendor bidding and selection** – In conjunction with clinical operations, identify appropriate candidate vendors, prepare the Request for Information (RFI), Request for Proposal (RFP), analyze incoming proposals, and facilitate Bid Defense meetings to coordinate recommendations with internal study team, including a Vendor Selection Report to document detailing the scoring process and final decision.

• **Contract and change order management** – Lead in the negotiation of Statements of Work (SOWs), budget proposals and payment terms with the vendors, assist in the negotiation of business and performance terms of Master Services Agreements (MSAs), and execute change orders as needed.

• **Vendor oversight** – Assist with the development, implementation and tracking of Key Performance Indicators (KPIs)/Service Level Agreements (SLAs) to measure vendor performance and document vendor oversight per compliance. We will also assist with right-sized governance to facilitate effective issue resolution.

• **Optimized coordination with clinical operations and finance** – Facilitate timely and quality information flow between Clinical Operations and Finance to enhance forecasting and accrual accuracy and minimize surprise spending.

Role	Hourly Rate
Managing Director – CBO	$525/hour
Sr. Director – Clinical Outsourcing II	$450/hour
Sr. Director – Clinical Outsourcing I	$420/hour
Sr. Director – Contract Manufacturing	$420/hour
Sr. Director – Clinical Finance	$340/hour
Director – Site Contracts	$370/hour

Note: The monthly billed amount will vary based on the actual services requested along with complexity and number of studies and vendors involved.

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

This Confidential Separation Agreement and General Release ("Agreement") is entered into between Shaun Blakeman ("Employee") and SomaLogic, Inc. ("the Company"), collectively referred to as the "Parties." Reference is made herein to that certain Key Employee Severance Plan adopted by the Company on October 17, 2022 (the "Plan"), under which Employee is a Tier 2 participant. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Plan.

Employee's employment with the Company terminated effective June 5, 2023 (the "Separation Date"). By this Agreement, Employee and the Company desire to resolve any claims or disputes Employee may have that exist at the time this Agreement is executed by the Parties, including, without limitation, disputes regarding whether Employee is eligible for any separation benefits under the Plan or Employee's Employment Agreement with the Company dated August 2, 2021 (the "Employment Agreement").

In consideration of all mutual promises herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Employee and the Company agree:

1. Provided Employee executes this Agreement, does not thereafter revoke this Agreement, and remains in full compliance with this Agreement, the Company will, notwithstanding anything in the Plan to the contrary, provide Employee with all of the following:

(a) Provided Employee has made a proper and timely election to continue coverage under COBRA, has not secured alternate health care coverage, and such premiums are not otherwise being paid for by another entity, pay Employee a lump sum payment in the gross amount of $17,041.32, less applicable federal and state payroll tax withholdings, which gross amount represents twelve (12) months of Employee's monthly COBRA premiums;

(b) In addition, all vested stock options (as of the Separation Date) granted to Employee shall be exercisable for a period of twenty-four (24) months following the Separation Date. Employee acknowledges that the foregoing extension to the exercise period may cause an incentive stock option to be reclassified as a non-qualified stock option under applicable tax laws, and that Employee and not the Company shall be solely responsible for any tax consequences relating to such reclassification, including satisfaction of all applicable tax withholding requirements that become due upon exercise.

2. Employee acknowledges that Employee has received all wages, compensation, or other amounts owed to Employee, that the consideration referenced in Paragraph 1, above, is in addition to any wages or other compensation owed to Employee, and that, separate from the terms of this Agreement, Employee is not otherwise entitled to the consideration referenced in Paragraph 1. Employee expressly acknowledges and agrees that Employee's final paycheck(s) included full payment (six months of Employee's base pay in the amount of $235,000 as of the Separation Date) pursuant to the Retention Agreement by and between the Company and Employee dated March 28, 2023 (the "Retention Agreement").

3. In consideration of the Company's agreements set forth in Paragraph 1, Employee hereby and forever releases the Company and its officers, directors, employees, managers, supervisors, agents, attorneys, insurers, investors, shareholders, administrators, parents, affiliates, divisions, subsidiaries, predecessor and successor corporations, assigns, and any other related persons or entities ("the Releasees") from, and agrees not to sue concerning, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed,

liquidated or contingent, that Employee may possess against any of the Releasees arising from any omissions, acts, or facts that have occurred up until and including the date on which Employee signs this Agreement including, without limitation:

(a) any and all claims arising out of or relating to Employee's employment with or separation from the Company;

(b) any and all claims arising out of or relating to the Plan, the Employment Agreement or the Retention Agreement;

(c) any and all public policy, contract, tort, or common law claims, including, but not limited to, wrongful discharge of employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract (express and implied), breach of a covenant of good faith and fair dealing (express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, and conversion;

(d) any and all claims or demands for wages, compensation or other amounts claimed to be due from the Company, including, but not limited to, claims for bonuses, commissions, stock, stock options, or any equity or ownership interest in the Company, vacation pay, personal time off, sick pay, fringe benefits, 401(k) match, expense reimbursements, or any other form of payment;

(e) any and all claims for violation of federal, state, or local constitution, law, code, ordinance, statute, or other legislative enactment, as amended, including, but not limited to, the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Genetic Information Nondiscrimination Act of 2008; the Civil Rights Acts of 1866 and 1871; Sections 1981 through 1988 of Title 42 of the United States Code; the Age Discrimination in Employment Act; the Older Workers Benefit Protection Act; the Equal Pay Act; the Fair Labor Standards Act; the Family and Medical Leave Act; the National Labor Relations Act; the Occupational Safety and Health Act; the Rehabilitation Act; Executive Order 11246; the Worker Adjustment and Retraining Notification Act; the Employee Retirement Income Security Act of 1974; the Lilly Ledbetter Fair Pay Act; the Families First Coronavirus Response Act; the Colorado Anti-Discrimination Act; the Colorado Labor Peace Act; the Colorado Wage Act; the Colorado Minimum Wage Act; the Colorado HELP Rules; the Colorado Minimum Wage Order; the Colorado COMPS Order; the Colorado Pregnant Workers Fairness Act; the Colorado Public Health Emergency Whistleblower Act; the Colorado Equal Pay for Equal Work Act; the Colorado Employment Opportunity Act; or the Colorado Social Media and the Workplace Law;

(f) any and all claims arising out of any other federal, state, or local statute, law, rule, regulation, or ordinance; and

(g) any and all claims for damages (whether compensatory, punitive, or otherwise), attorneys' fees, and costs.

Employee agrees that the release set forth in this Paragraph 3 shall be and remains in effect in all respects as a complete general release. Employee agrees that in the event Employee brings a claim covered by the foregoing release in which Employee seeks damages or other remedies against the Releasees, this Agreement shall serve as a complete defense to such claims. Employee agrees that in the event any government agency pursues any such claim in Employee's name or on Employee's behalf, this Agreement shall serve as a bar to any recovery by or relief to Employee.

Employee agrees that any breach of this Paragraph 3 shall constitute a material breach of this Agreement. Employee agrees to reimburse the Releasees for all costs, attorneys' fees, and any and all damages incurred by the Releasees in defending against a claim brought or pursued by Employee in violation of this Agreement.

This general release does not extend to the obligations of the Company created by this Agreement, and shall not apply to any claim for unemployment compensation Employee may file with a governmental agency.

Employee acknowledges and agrees that if the Company has questions or requires information from the Employee relating to or arising out of Employee's duties with the Company or with respect to any matters about which the Employee has knowledge, Employee will in good faith and truthfully cooperate with the Company in responding to such questions or providing such information or signatures on corporate documents as may be required. Employee further acknowledges and agrees that if the Company is involved or becomes involved in any investigation, claim, or litigation relating to or arising out of Employee's duties with the Company or with respect to any matters about which the Employee has knowledge, Employee will in good faith and truthfully cooperate with the Company, without requiring a subpoena from the Company, with respect to such investigation, claim, or litigation. The Company will reimburse Employee for reasonable and actual out-of-pocket expenses, including transportation, associated with Employee answering questions or providing required information to the Company or associated with Employee participating in depositions, trial, or other preparation related to Company litigation.

Employee hereby certifies and represents that Employee has advised the Company in writing of all instances of violations or suspected violations by one or more of the Releasees, and/or anyone acting on behalf of any of the Releasees, of any laws, ordinances, regulations or rules of which Employee is aware, and that if Employee has not advised the Company of any such violations or suspected violations in writing, it is because Employee is not aware of any such violations or suspected violations.

4. Employee affirms that Employee has not filed nor caused to be filed, nor is presently a party to, any claim against the Company.

Employee also affirms that Employee has been paid and/or has received all compensation, wages, bonuses, commissions, vacation pay, sick pay, public health emergency leave pay, and/or other benefits to which Employee may be entitled. Employee affirms that Employee has been granted any leave to which Employee was entitled under the Family and Medical Leave Act, the Colorado Healthy Families and Workplaces Act, or related state or local leave, sick leave, public health emergency leave, or disability accommodation laws.

Employee further affirms that Employee has no known workplace injuries or occupational diseases.

Employee also affirms that Employee is not aware of any workplace violation of government health or safety rules, or workplace threat to health or safety.

Employee further acknowledges that the Employment Agreement contains certain post-employment restrictive covenants. Employee reaffirms his commitment to the restrictive covenants set forth in Paragraph 7 of the Employment Agreement, and acknowledges that he would not be entitled to any of the consideration set forth in Paragraph 1 of this Agreement (and that the Company may immediately cease providing any consideration referenced in Paragraph 1 of this Agreement) if Employee violates any provision of the Employment Agreement or this Agreement.

Employee also affirms that Employee has not divulged any proprietary or confidential information of the Company and will continue to maintain the confidentiality of such information consistent with the Company's policies and Employee's agreement(s) with the Company and/or relevant statutory or common law. Employee understands and acknowledges that notwithstanding the provisions above, Employee will not be held criminally or civilly liable for any disclosure of any of Company's proprietary or confidential information that Employee makes:

(a) In confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law;

(b) In a complaint or other document filed in a lawsuit or other proceeding when the filing is made under seal; or

(c) To Employee's attorney or in a sealed court filing in a lawsuit alleging retaliation for reporting a suspected violation of law.

Employee further understands and agrees that nothing in this Agreement is intended to limit or prevent Employee from disclosing information about workplace health and safety practices or hazards.

Employee affirms that Employee has returned all of the Company's property, documents, and/or any confidential information in Employee's possession or control. Employee also affirms that Employee is in possession of all of Employee's property that Employee had at the Company's premises and that the Company is not in possession of any of Employee's property.

5. Subject to Paragraph 10, below, and otherwise to the fullest extent permitted by applicable law, Employee expressly agrees that Employee will keep the terms of this Agreement **STRICTLY CONFIDENTIAL**; provided, however, that the foregoing and other provisions of this Paragraph 5 shall not apply to the terms of this Agreement that have been or are required to be publicly disclosed by the Company. Employee further agrees that Employee will not communicate (orally or in writing), or in any way voluntarily disclose or allow or direct others to disclose, the terms of this Agreement to any person, judicial or administrative agency or body, business entity or association, or anyone else for any reason whatsoever, unless required to do so to enforce the terms of this Agreement, or pursuant to lawful subpoena or to an order of a court of competent jurisdiction, except that Employee may disclose the terms of this Agreement to Employee's spouse, attorney and tax or financial advisor. If disclosure is made to any of the persons listed in this Paragraph 5, Employee agrees to inform such persons of the confidentiality requirements of this Agreement and will not make any disclosure to such persons without first obtaining the agreement of those persons to keep the information confidential. It is expressly

agreed that the provisions of this paragraph are essential provisions of, and partial consideration for, this Agreement between the Parties.

Employee acknowledges and agrees that any breach of this Paragraph 5 by Employee or by any of the persons listed above is a material breach of this Agreement for which Employee is responsible. In addition, Employee shall reimburse the Company for any and all costs (including, but not limited to, the Company’s attorneys’ fees) incurred by the Company in enforcing the terms of this Paragraph 5.

6. Employee will not apply for any position with the Company and will not be eligible for rehire by the Company. In the event Employee applies for a position at the Company, the Parties agree the Company has no obligation to consider Employee for employment.

7. The Company will follow its general policy of providing to prospective employers only Employee’s dates of employment and positions held, provided any requests for information are made through and responded to by the Company’s Human Resources Department.

8. Employee warrants that Employee has not assigned any claims or rights released in this Agreement.

9. Subject to Paragraph 10, below, and otherwise to the fullest extent permitted by applicable law, Employee agrees and warrants that Employee will not disparage Releasees, their products or services. Employee further agrees and warrants that Employee will not make, file, prepare, report, or assist in making, filing, preparing, or reporting any disparaging remarks regarding Releasees via the Internet or any news media. The Company agrees to instruct, in writing, the current members of the Company’s Board of Directors and its current officers not to disparage Employee.

10. Employee understands that nothing in this Agreement prohibits Employee from filing a charge or participating in or assisting an investigation or proceeding conducted by a federal, state, or local governmental agency. This Agreement does not limit Employee’s right to receive an award for information provided in connection with any such investigation or proceeding.

11. By entering into this Agreement, the Company does not admit that it engaged in any unlawful or improper conduct, or that it is legally obligated to Employee in any way.

12. The consideration stated herein is contractual and not merely a recital. The Parties hereto execute and deliver this Agreement after being fully informed of its terms, contents and effects. The Parties acknowledge that this Agreement is a negotiated agreement that both Parties have reviewed with their attorneys, that both Parties have had a full opportunity to revise the language of the Agreement, and that, in the event of a dispute, the Agreement should not be construed in any way either for or against a party based on whether a particular party was or was not the primary drafter of this Agreement.

13. This Agreement shall be effective, binding on the Parties, and in full force and effect immediately following the execution of the Agreement by both Parties, except for Employee’s release of ADEA claims (if any), which shall be binding and effective as of the expiration of the revocation period addressed below.

14. Employee acknowledges:

(a) That by executing this Agreement, Employee waives all rights or claims, if any, that Employee may have against the Company under the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 626, et seq. ("ADEA");

(b) That this Agreement has been written in a manner calculated to be understood by Employee, and is in fact understood by Employee;

(c) That the aforementioned waiver reflects specifically, but is not limited to, all rights or claims, if any, that Employee may have against the Company arising under the ADEA;

(d) That Employee is not waiving rights and claims that Employee may have under the ADEA against the Company that may arise after the date on which this Agreement is executed;

(e) That Employee is waiving rights and claims that Employee may have under the ADEA, if any, only in exchange for consideration in addition to anything of value to which Employee is already entitled;

(f) That Employee is advised and has had the opportunity to consult with an attorney of Employee's choice prior to executing this Agreement;

(g) That Employee has been given a period of **21** days from the date on which Employee receives this Agreement, not counting the day upon which Employee receives the Agreement, within which to consider whether to sign this Agreement;

(h) That if Employee wishes to execute this Agreement prior to the expiration of the 21-day period set forth in subsection (g) of this Paragraph 14, Employee may do so;

(i) That Employee has been given a period of **7** days following Employee's execution of this Agreement to revoke Employee's waiver of all claims, if any, under the ADEA, and Employee's release of any claims under the ADEA shall not become effective or enforceable until the revocation period has expired without Employee revoking Employee's waiver of all claims under the ADEA;

(j) That to revoke Employee's waiver of all claims under the ADEA, Employee understands that Employee must deliver a written, signed statement that Employee revokes Employee's waiver of all claims under the ADEA to the Company by hand or by mail within the **7**-day revocation period. The revocation must be postmarked within the period stated above and properly addressed to the Company at the following address: SomaLogic, Inc., c/o Alison Roelke (Chief People Officer), 2945 Wilderness Pl, Boulder, CO 80301, aroelke@somalogic.com.

(k) That this Agreement becomes null and void and of no further force or effect if Employee does not sign, date and return this Agreement to the Company within 21 days after the date on which Employee receives this Agreement.

(l) That any modifications, material or otherwise, made to this Agreement, do not restart or affect in any manner the original period of up to 21 calendar days during which Employee may consider this Agreement.

15. This Agreement may be executed in counterparts and shall be fully enforceable in all regards if executed in such manner as if it had been executed as a single document. Signatures obtained electronically shall constitute effective execution of this Agreement.

16. Employee and the Company agree that all the terms of this Agreement are contained in this document, the Employment Agreement, and the Plan, that no statements or inducements have been made contrary to or in addition to the statements herein, that the terms hereof are binding on and enforceable for the benefit of Employee's successors and assigns, that the Agreement shall be governed by Colorado law, and that the provisions of this Agreement are severable, so that if any paragraph of this Agreement is determined to be unenforceable, the other paragraphs shall remain valid and fully enforceable. Employee and the Company expressly agree that the Retention Agreement is terminated as of the date hereof and is of no further force or effect. In the event of any inconsistency between this Agreement, the Employment Agreement and the Plan, this Agreement shall control.

Accepted and agreed as of this _____ day of June, 2023.

____
Shaun Blakeman

SomaLogic, Inc.

By: _________________________________
Adam Taich

Its: Interim Chief Executive Officer

EXHIBIT 31.1

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

I, Adam Taich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SomaLogic, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SomaLogic, Inc.

Date:	August 14, 2023		*/s/ Adam Taich*
		Name:	Adam Taich
		Title:	Interim Chief Executive Officer

EXHIBIT 31.2

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

I, Eliot Lurier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SomaLogic, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SomaLogic, Inc.

Date:	August 14, 2023		*/s/ Eliot Lurier*
		Name:	Eliot Lurier
		Title:	Interim Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of SomaLogic, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Adam Taich, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

SomaLogic, Inc.

Date:	August 14, 2023		*/s/ Adam Taich*
		Name:	Adam Taich
		Title:	Interim Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of SomaLogic, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eliot Lurier, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

SomaLogic, Inc.

Date:	August 14, 2023		*/s/ Eliot Lurier*
		Name:	Eliot Lurier
		Title:	Interim Chief Financial Officer