

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

FORM 8-K

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

Date of Report (Date of earliest event reported): **November 7, 2023**

SCIENCE 37 HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-39727

(Commission File Number)

84-4278203

(IRS Employer Identification No.)

**800 Park Offices Drive, Suite 3606
Research Triangle Park, NC**

(Address of principal executive offices)

27709

(Zip Code)

(984) 377-3737

Registrant's telephone number, including area code

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Shares of Common stock, par value \$0.0001 per share	SNCE	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2023, Science 37 Holdings, Inc. (the “Company”) issued a press release announcing the Company’s financial results for the third quarter ended September 30, 2023. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) is furnished and not filed pursuant to Instruction B.2 of Form 8-K and shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act of 1934, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release dated November 7, 2023
104	Cover Page Interactive Data File (formatted as inline XBRL).

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 hereunto duly authorized.

Science 37 Holdings, Inc.

Date: November 7, 2023

By: /s/ Mike Zaranek

Name: Mike Zaranek

Title: Chief Financial Officer

Science 37 Reports Third Quarter 2023 Financial Results

Research Triangle Park, N.C., November 7, 2023 — Science 37 Holdings, Inc. (Nasdaq: SNCE), (“Science 37”), the industry-leading Metasite™, today reported its financial results for the quarter ended September 30, 2023.

“Our third quarter results were highlighted by continued quarterly improvements in our key profitability metrics and cash burn rate,” stated David Coman, Chief Executive Officer of Science 37. “We look forward to a strong finish to the year and positive momentum headed into 2024.”

Quarterly Financial Highlights

- Gross bookings were \$17.9 million for the quarter ended September 30, 2023, a 50.6% increase compared to \$11.9 million for the same period in 2022, and a 53.2% decrease compared to \$38.2 million for the second quarter of 2023.
- Backlog was \$163.1 million for the quarter ended September 30, 2023, compared to \$170.4 million for the same period in 2022. Cancellations and realization adjustments were \$8.7 million, representing 5.1% of beginning backlog for the quarter ended September 30, 2023, compared to \$7.2 million and 3.9% of beginning backlog for the same period in 2022.
- Revenue was \$14.9 million for the quarter ended September 30, 2023, an 8.4% decrease compared to \$16.2 million for the same period in 2022, and a 3.0% decrease compared to \$15.4 million for the second quarter of 2023.
- Gross profit was \$5.9 million for the quarter ended September 30, 2023, a 44.6% increase compared to \$4.1 million for the same period in 2022, and a 9.8% increase compared to \$5.4 million for the second quarter of 2023.
- Gross margin was 39.7% for the quarter ended September 30, 2023, a 14.5 percentage point increase compared to 25.2% for the same period in 2022, and a 4.6 percentage point increase compared to 35.1% in the second quarter of 2023.
- Adjusted gross profit⁽¹⁾ was \$6.1 million for the quarter ended September 30, 2023, a 32.1% increase compared to \$4.6 million for the same period in 2022, and a 10.1% increase compared to \$5.5 million in the second quarter of 2023. Adjusted gross margin⁽¹⁾ was 40.8% for the quarter ended September 30, 2023, a 12.5 percentage point increase compared to 28.3% for the same period in the prior year, and a 4.8 percentage point increase compared to 36.0% in the second quarter of 2023.
- Net loss was \$13.9 million for the quarter ended September 30, 2023, resulting in loss per share of \$0.12, compared to a net loss of \$23.5 million in the same period in 2022, or loss per share of \$0.20. Net loss improved 28.9% from the \$19.6 million net loss reported in the second quarter of 2023.
- Adjusted net loss⁽¹⁾ was \$5.4 million for the quarter ended September 30, 2023, a 72.3% improvement compared to an adjusted net loss of \$19.5 million in the same period in 2022, and a 30.1% improvement compared to \$7.7 million in the second quarter of 2023.
- Adjusted EBITDA⁽¹⁾ was \$(5.2) million for the quarter ended September 30, 2023, a 64.2% improvement compared to \$(14.6) million for the same period in 2022, and a 30.9% improvement compared to \$(7.6) million for the second quarter of 2023.
- Cash burn (defined as the change in available cash in consecutive quarters as reported on the Company's Condensed Consolidated Balance Sheets) was \$8.6 million for the quarter ended September 30, 2023, a 51.3% improvement compared to \$17.6 million for the quarter ended June 30, 2023.
- Cash and Cash Equivalents as of September 30, 2023 were \$56.4 million.

⁽¹⁾ Adjusted gross profit, adjusted gross margin, adjusted net loss and adjusted EBITDA are non-GAAP financial measures. For a reconciliation to the most directly comparable GAAP measure, please refer to the “Reconciliation of GAAP to non-GAAP measures” section included in this press release.

Full Year 2023 Financial Outlook

Science 37 is providing updated revenue guidance of between \$58.0 million and \$59.0 million and adjusted EBITDA guidance of approximately \$(32.5) million for the fiscal year ending December 31, 2023.

Science 37 anticipates cash burn in the fourth quarter of 2023 to be less than \$6.4 million, and expects to exit 2023 with more than \$50.0 million of cash on hand.

The foregoing 2023 Financial Outlook statement represents management's current estimates as of the date of this release. Actual results may differ materially depending on a number of factors. Investors are urged to read the Cautionary Note Regarding Forward-Looking Statements included in this release. Management does not assume any obligation to update these estimates.

Science 37 has not provided a quantitative reconciliation of adjusted EBITDA guidance to net income (loss) on a forward-looking basis within this press release because the Company is unable, without unreasonable efforts, to provide reconciling information with respect to interest income, depreciation, amortization, stock-based compensation, restructuring costs, change in fair value of the earn-out liability, and other adjustments to adjusted EBITDA. These items, which could materially affect the computation of forward-looking GAAP net income (loss), are inherently uncertain and depend on various factors, some of which are outside of the Science 37's control.

Webcast and Conference Call Details

Science 37 will host a conference call on November 7, 2023, at 8:30 a.m. Eastern Time to discuss its third quarter 2023 financial results. The call can be accessed by dialing 1-877-269-7751 (toll-free domestic) or 1-201-389-0908 (international) using the conference ID 13741458 or by utilizing the Call me™ feature using the following link to request a return call for instant telephone access to the event:
<https://callme.viavid.com/viavid/?callme=true&passcode=13736111&h=true&info=company-email&r=true&B=6>

The live webcast may be accessed via the investor relations section of the Science 37 website. A replay of the webcast will be available for approximately 90 days.

About Science 37

Science 37 Holdings, Inc.'s (Nasdaq: SNCE) mission is to accelerate clinical research by enabling universal trial access for patients. Through our Metasite™ we reach an expanded population beyond the traditional site, delivering on our goal of clinical research that works for everyone with greater patient diversity. Patients gain the flexibility to participate from the comfort of their own homes, at their local community provider, or at a traditional site when needed. Our Metasite is powered by a proprietary technology platform with in-house medical and operational experts that drive uniform study orchestration, enabling greater compliance and high-quality data. To learn more, visit www.science37.com, or email science37@science37.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding Science 37's anticipated growth and profitability, the products offered by Science 37 and the markets in which it operates and revenue, adjusted EBITDA and expected cash burn guidance for fiscal year 2023. These forward-looking statements generally are identified by the words "believe," "can," "could," "seek," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "position," "may," "might," "should," "will," "would," "will be," "will continue," "will likely result" and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors, some of which are outside Science 37's control, could cause actual future events to differ materially from the forward-looking statements in this press release, including, but not limited to: (i) the ability to maintain the listing of Science 37's securities on The Nasdaq Stock Market LLC, (ii) volatility in the price of Science 37's securities due to a variety of factors, including changes in the competitive and highly regulated industries in which Science 37 operates, variations in performance across competitors, changes in laws and regulations affecting Science 37's business and changes in its capital structure, and general economic and financial market conditions, including fluctuations in currency exchange rates, economic instability, and inflationary conditions, (iii) the ability to

implement business plans, forecasts, and other expectations, and to identify and realize additional opportunities, (iv) the risk that Science 37 may never achieve or sustain profitability, (v) the risk that Science 37 will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all, (vi) failure to realize anticipated cost savings, and (vii) risks related to general economic and financial market conditions, including the possibility of an economic recession and geopolitical conditions. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the “Risk Factors” section of Science 37’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 6, 2023 and in the other documents filed by Science 37 from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Science 37 assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. Science 37 does not give any assurance that Science 37 will achieve its expectations.

Use of Non-GAAP Financial Measures and Key Performance Measures

In addition to the financial measures prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), this press release contains certain non-GAAP financial measures, including adjusted gross profit, adjusted gross margin, adjusted EBITDA and adjusted net income (loss). A “non-GAAP financial measure” is generally defined as a numerical measure of a company’s financial performance that excludes or includes amounts from the most directly comparable measure calculated and presented in accordance with GAAP in the statements of operations, balance sheets, or statements of cash flows of the Company. Please refer to the reconciliations of the non-GAAP financial measures to their most directly comparable GAAP measures included in this press release and the accompanying tables contained at the end of this release.

The Company defines adjusted gross profit as gross profit excluding stock-based compensation expense. The Company defines adjusted gross margin as gross margin excluding stock-based compensation expense.

The Company defines adjusted net income (loss) as net income (loss) excluding transactions that the Company believes are not representative of its core operations, namely: restructuring and other costs; transaction and integration-related expenses; stock-based compensation expense; impairment losses; interest income; other income (expense), net; and gain or loss on extinguishment of debt.

EBITDA represents earnings before interest, taxes, depreciation, and amortization. The Company defines adjusted EBITDA as EBITDA, further adjusted to exclude expenses and transactions that the Company believes are not representative of its core operations, namely: restructuring and other costs; transaction and integration-related expenses; stock-based compensation expense; impairment losses; other income (expense), net; and gain or loss on extinguishment of debt.

Each of the non-GAAP measures noted above are used by management and the Board to evaluate the Company’s core operating results because they exclude certain items for which fluctuations from period-to-period do not necessarily correspond to changes in the core operations of the business.

Management believes that adjusted gross profit, adjusted gross margin, adjusted EBITDA and adjusted net income (loss) are helpful to investors, analysts, and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical periods. In addition, these measures are frequently used by analysts, investors, and other interested parties to evaluate and assess performance.

Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations as determined in accordance with GAAP. Also, other companies might calculate these measures differently.

This press release also contains certain key performance measures which we use to evaluate our business and results, measure performance, identify trends, formulate plans and make strategic decisions. We believe that the presentation of such metrics is useful to the Company's investors because they are used to measure and model the performance of companies such as ours. Net bookings represent new business awards, net of contract modifications, contract cancellations, and other adjustments. Net bookings represent the minimum contractual value for the initial planned duration of a contract as of the contract execution date. The minimum fixed fees, upfront implementation fees and technology and support fees are included in net bookings. Estimates of variable revenue for utilization in excess of the contracted amounts are not included in the value of net bookings. Net bookings vary from period to period depending on numerous factors, including customer authorization volume, sales performance and the overall outlook of the life sciences industry, among others.

Contacts:

INVESTOR RELATIONS:

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MEDIA INQUIRIES:

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SCIENCE 37 HOLDINGS, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS)
(unaudited)

<i>(In thousands, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 14,887	\$ 16,249	\$ 44,324	\$ 54,210
Operating expenses:				
Cost of revenue (exclusive of depreciation and amortization)	8,972	12,157	30,048	41,985
Selling, general and administrative	14,740	24,485	51,813	82,822
Impairment of long-lived assets	5,533	—	19,013	—
Depreciation and amortization	164	4,870	520	12,569
Restructuring costs	22	—	3,624	—
Total operating expenses	29,431	41,512	105,018	137,376
Loss from operations	(14,544)	(25,263)	(60,694)	(83,166)
Other income (expense):				
Interest income	732	559	2,475	748
Sublease income	(2)	240	64	719
Change in fair value of earn-out liability	—	1,200	110	97,600
Other income (expense), net	(109)	(264)	(84)	(369)
Total other income (expense), net	621	1,735	2,565	98,698
Income (loss) before income taxes	(13,923)	(23,528)	(58,129)	15,532
Income tax expense (benefit)	1	—	1	(1)
Net income (loss)	\$ (13,924)	\$ (23,528)	\$ (58,130)	\$ 15,533
(Loss) earnings per share:				
Basic	\$ (0.12)	\$ (0.20)	\$ (0.50)	\$ 0.13
Diluted	\$ (0.12)	\$ (0.20)	\$ (0.50)	\$ 0.12
Weighted average common shares outstanding:				
Basic	118,146	116,412	117,210	115,935
Diluted	118,146	116,412	117,210	126,717
Comprehensive (loss) income				
Net income (loss)	\$ (13,924)	\$ (23,528)	\$ (58,130)	\$ 15,533
Foreign currency translation	(8)	125	14	152
Total comprehensive income (loss)	\$ (13,932)	\$ (23,403)	\$ (58,116)	\$ 15,685

SCIENCE 37 HOLDINGS, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	(unaudited)	
<i>(In thousands, except share data)</i>	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 56,407	\$ 108,091
Accounts receivable and unbilled services, net	12,591	10,992
Prepaid expenses and other current assets	6,543	7,121
Total current assets	75,541	126,204
Other assets	186	244
Total assets	\$ 75,727	\$ 126,448
Liabilities, preferred stock and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 6,665	\$ 7,206
Accrued expenses and other liabilities	8,355	11,364
Deferred revenue	3,084	4,606
Total current liabilities	18,104	23,176
Non-current liabilities:		
Deferred revenue	4,710	3,654
Operating lease liabilities	47	716
Commissions payable	1,062	1,336
Other long-term liabilities	60	180
Total liabilities	23,983	29,062
Preferred stock:		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized, 0 issued and outstanding at September 30, 2023 and December 31, 2022, respectively	—	—
Stockholders' equity:		
Common stock, \$0.0001 par value; 400,000,000 shares authorized, 119,118,653 and 116,432,029 issued and outstanding at September 30, 2023 and December 31, 2022, respectively	12	12
Additional paid-in capital	362,755	350,247
Accumulated other comprehensive income	207	193
Accumulated deficit	(311,230)	(253,066)
Total stockholders' equity	51,744	97,386
Total liabilities, preferred stock and stockholders' equity	\$ 75,727	\$ 126,448

SCIENCE 37 HOLDINGS, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(In thousands)</i>	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net income (loss)	\$ (58,130)	\$ 15,533
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	520	12,569
Non-cash lease expense related to operating lease right-of-use assets	—	859
Stock-based compensation	12,286	19,425
Gain on change in fair value of earn-out liability	(110)	(97,600)
Long-lived asset impairment	19,013	—
Loss on foreign currency exchange rates	76	282
Provision for doubtful accounts	390	147
Changes in operating assets and liabilities:		
Accounts receivable and unbilled services	(2,023)	1,534
Prepaid expenses and other current assets	566	745
Other assets	14	(72)
Accounts payable	(902)	(8,100)
Accrued expenses and other current liabilities	(3,589)	(6,329)
Deferred revenue	(465)	1,165
Operating lease liabilities	(474)	(449)
Other, net	(297)	(86)
Net cash used in operating activities	(33,125)	(60,377)
Cash flows from investing activities:		
Payments related to capitalized software development costs	(17,639)	(24,627)
Purchase of internal-use software	(750)	—
Purchases of property and equipment	(31)	(162)
Net cash used in investing activities	(18,420)	(24,789)
Cash flows from financing activities:		
Proceeds from stock option exercises	68	672
Proceeds from issuance of stock under the employee stock purchase plan	119	—
Payments related to tax withholdings for share-based compensation	(343)	—
Net cash (used in) provided by financing activities	(156)	672
Effect of foreign currency exchange rate changes on cash	17	132
Net decrease in cash and cash equivalents	(51,684)	(84,362)
Cash and cash equivalents, beginning of period	108,091	214,601
Cash and cash equivalents, end of period	\$ 56,407	\$ 130,239
Supplemental disclosures of non-cash activities		
Balance in accounts payable, accrued expenses and other current liabilities, and capitalized stock-based compensation related to capitalized software and fixed asset additions	\$ (1,424)	\$ (3,482)
Balance in prepaid expenses and other current assets related to stock option exercises	\$ —	\$ 5

SCIENCE 37 HOLDINGS, INC. and SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Measures
(Unaudited)

The following table provides reconciliation of adjusted gross profit and adjusted gross margin to gross profit and gross margin, the most directly comparable GAAP measures, respectively:

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenue	\$ 14,887	\$ 15,351	\$ 16,249	\$ 44,324	\$ 54,210
Gross profit	\$ 5,915	\$ 5,387	\$ 4,092	\$ 14,276	\$ 12,225
Stock-based compensation (1)	\$ 159	\$ 132	\$ 505	\$ 540	\$ 1,481
Adjusted gross profit	<u>\$ 6,074</u>	<u>\$ 5,519</u>	<u>\$ 4,597</u>	<u>\$ 14,816</u>	<u>\$ 13,706</u>
Gross margin	39.7 %	35.1 %	25.2 %	32.2 %	22.6 %
Adjusted gross margin	40.8 %	36.0 %	28.3 %	33.4 %	25.3 %

The following table provides reconciliation of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure:

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income (loss)	\$ (13,924)	\$ (19,579)	\$ (23,528)	\$ (58,130)	\$ 15,533
Interest income	(732)	(813)	(559)	(2,475)	(748)
Depreciation and amortization	164	143	4,870	520	12,569
Other income (2)	111	(9)	(1,176)	(90)	(97,950)
Stock-based compensation	3,578	3,601	5,739	12,286	19,425
Long-lived asset impairment	5,533	5,679	—	19,013	—
Restructuring	22	3,373	—	3,624	—
Franchise taxes	24	44	50	114	229
Provision for income taxes	1	—	—	1	(1)
Adjusted EBITDA	<u>\$ (5,223)</u>	<u>\$ (7,561)</u>	<u>\$ (14,604)</u>	<u>\$ (25,137)</u>	<u>\$ (50,943)</u>

The following table provides reconciliation of adjusted net loss to net income (loss), the most directly comparable GAAP measure:

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income (loss)	\$ (13,924)	\$ (19,579)	\$ (23,528)	\$ (58,130)	\$ 15,533
Interest income	(732)	(813)	(559)	(2,475)	(748)
Other income (2)	111	(9)	(1,176)	(90)	(97,950)
Stock-based compensation expense	3,578	3,601	5,739	12,286	19,425
Long-lived asset impairment	5,533	5,679	—	19,013	—
Restructuring	22	3,373	—	3,624	—
Adjusted net loss	<u>\$ (5,412)</u>	<u>\$ (7,748)</u>	<u>\$ (19,524)</u>	<u>\$ (25,772)</u>	<u>\$ (63,740)</u>

- (1) Represents the portion of total stock-based compensation recorded within cost of revenues.
- (2) Includes a gain of \$0, \$0, and \$1.2 million recorded for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022, respectively, and a gain of \$0.1 million and \$97.6 million for the nine months ended September 30, 2023 and 2022, respectively, associated with the change in the fair value of the earn-out liability.