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**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 March 31, 2022

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-39727

**SCIENCE 37 HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

**800 Park Offices Drive, Suite 3606  
Research Triangle Park, North Carolina**

(Address of Principal Executive Offices)

84-4278203

(I.R.S. Employer Identification No.)

27709

(Zip Code)

Registrant's telephone number, including area code: (984) 377-3737

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, \$0.0001 par value per share	SNCE	The Nasdaq Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 Act). Yes  No

As of May 2, 2022, there were 115,996,390 shares of common stock, par value \$0.0001 per share, issued and outstanding.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may” or “should” or, in each case, their negative or other variations or comparable terminology. They may appear in a number of places throughout this Quarterly Report on Form 10-Q, including Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and include statements regarding our future results of operations and financial position, business strategy, plans and prospects, existing and prospective products, research and development costs, timing and likelihood of success, and plans and objectives of management for future operations and results.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Factors that may impact such forward-looking statements include:

- a. our ability to respond to general economic and financial market conditions, changes in regulatory environment and/or competitive factors;
- b. our limited operating history;
- c. our ability to raise additional funding to strengthen our core business, expand into additional markets and extend the reach of our operating system;
- d. potential loss or non-renewal of Science 37’s contracts, any delay in our customers’ clinical trials or non-payment by its customers for services that we have performed;
- e. our ability to recognize the anticipated benefits of the Business Combination (defined below);
- f. our dependence on the clinical trial market;
- g. our reliance on third parties for important products, services and licenses to certain technology and intellectual property rights;
- h. the continuing impact of the COVID-19 pandemic;
- i. political, legal and compliance, operational, regulatory, economic and other risks associated with the international expansion of our operations;
- j. risks related to our technology, intellectual property and data privacy practices;
- k. our exposure to geopolitical risks and changes in applicable laws and regulations;
- l. litigation and regulatory enforcement risks; and
- m. volatility in the trading price of our common stock.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and other risks and uncertainties discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Furthermore, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on the Company’s current expectations and beliefs and are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, 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. Forward-looking statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The forward-looking statements contained in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. 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 require by law.

**Part I - Financial Information****Item 1. Financial Statements**

**Science 37 Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**

	(unaudited)	
	March 31, 2022	December 31, 2021
<i>(In thousands, except share data)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 179,551	\$ 214,601
Accounts receivable and unbilled services, net (including amounts with related parties)	10,133	10,699
Prepaid expenses and other current assets	7,991	7,403
Total current assets	197,675	232,703
Property and equipment, net	1,374	1,393
Operating lease right-of-use assets	1,805	2,086
Capitalized software, net	32,122	24,290
Other assets	325	326
Total assets	<u>\$ 233,301</u>	<u>\$ 260,798</u>
<b>Liabilities, redeemable convertible preferred stock and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 10,764	\$ 12,819
Accrued expenses and other liabilities	14,680	17,073
Deferred revenue	5,433	5,130
Total current liabilities	30,877	35,022
Long-term liabilities:		
Long-term deferred revenue	2,030	2,478
Operating lease liabilities	1,176	1,322
Other long-term liabilities	1,637	1,477
Long-term earn-out liability	23,400	98,900
Total liabilities	59,120	139,199
<b>Commitments and contingencies (Note 9)</b>		
Redeemable convertible preferred stock:		
Redeemable convertible preferred stock, \$0.0001 par value; 100,000,000 shares authorized, 0 issued and outstanding at March 31, 2022 and December 31, 2021, respectively	—	—
Stockholders' equity:		
Common stock, \$0.0001 par value; 400,000,000 shares authorized, 115,713,623 and 114,991,026 issued and outstanding at March 31, 2022 and December 31, 2021, respectively	12	11
Additional paid-in capital	331,353	323,666
Accumulated deficit	(157,184)	(202,078)
Total stockholders' equity	174,181	121,599
Total liabilities, redeemable convertible preferred stock and stockholders' equity	<u>\$ 233,301</u>	<u>\$ 260,798</u>

*See accompanying notes to condensed consolidated financial statements.*

**Science 37 Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**

<i>(In thousands, except per share data)</i>	Three Months Ended March 31,	
	2022	2021
Revenues (including amounts with related parties)	\$ 18,686	\$ 12,438
Operating expenses:		
Cost of revenues (including amounts with related parties)	15,986	8,638
Selling, general and administrative	30,153	9,164
Depreciation and amortization	3,469	1,497
Total operating expenses	49,608	19,299
Loss from operations	(30,922)	(6,861)
Other income (expense):		
Interest income	94	1
Sublease income	239	33
Change in fair value of earn-out liability	75,500	—
Other income (expense)	(18)	1
Total other income	75,815	35
Income (loss) before income taxes	44,893	\$ (6,826)
Income tax (benefit) expense	(1)	—
Net income (loss)	\$ 44,894	\$ (6,826)
Earnings (loss) per share:		
Basic	\$ 0.39	\$ (1.28)
Diluted	\$ 0.35	\$ (1.28)
Weighted average common shares outstanding:		
Basic	115,387	5,319
Diluted	126,462	5,319

*See accompanying notes to condensed consolidated financial statements.*

**Science 37 Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)**  
**Three Months Ended March 31, 2022 and 2021**  
**(unaudited)**

<i>(In thousands)</i>	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balances at December 31, 2021	—	\$ —	114,991	\$ 11	\$ 323,666	\$ (202,078)	\$ 121,599
Stock-based compensation expense	—	—	—	—	7,557	—	7,557
Proceeds from option exercises	—	—	723	1	130	—	131
Net income	—	—	—	—	—	44,894	44,894
Balances at March 31, 2022	—	\$ —	115,714	\$ 12	\$ 331,353	\$ (157,184)	\$ 174,181

<i>(In thousands)</i>	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balances at December 31, 2020 (as previously reported)	41,587	\$ 143,086	2,765	\$ 1	\$ 1,611	\$ (107,747)	\$ (106,135)
Retroactive application of the recapitalization due to Merger <sup>1</sup>	33,908	—	2,255	—	—	—	—
Balances at December 31, 2020, effect of Merger <sup>1</sup>	75,495	\$ 143,086	5,020	\$ 1	\$ 1,611	\$ (107,747)	\$ (106,135)
Stock-based compensation expense	—	—	—	—	225	—	225
Proceeds from option exercises	—	—	919	—	332	—	332
Net loss	—	—	—	—	—	(6,826)	(6,826)
Balances at March 31, 2021	75,495	\$ 143,086	5,939	\$ 1	\$ 2,168	\$ (114,573)	\$ (112,404)

*See accompanying notes to condensed consolidated financial statements.*

<sup>1</sup> Historical shares and capital amounts have been retroactively adjusted for reverse recapitalization as described in Note 1 "Company Background and Basis of Presentation" to the audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

**Science 37 Holdings, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**

<i>(In thousands)</i>	Three Months Ended March 31,	
	2022	2021
<b>Operating activities</b>		
Net income (loss)	\$ 44,894	\$ (6,826)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	3,469	1,497
Non-cash lease expense related to operating lease right-of-use assets	281	494
Stock-based compensation	7,557	225
Gain on change in fair value of earn-out liability	(75,500)	—
Changes in assets and liabilities:		
Accounts receivable and unbilled services, net (including amounts with related parties)	566	2,139
Prepaid expenses and other current assets	(571)	(845)
Other assets	1	(142)
Accounts payable	(5,294)	(1,954)
Accrued expenses and other current liabilities	(3,255)	(2,213)
Deferred revenue	(145)	525
Operating lease liabilities	(145)	(216)
Other, net	159	229
Net cash used in operating activities	(27,983)	(7,087)
<b>Investing activities</b>		
Capitalization of software development costs	(7,035)	(2,298)
Purchases of fixed assets	(146)	(111)
Net cash used in investing activities	(7,181)	(2,409)
<b>Financing activities</b>		
Cash received from stock option exercises	114	63
Net cash provided by financing activities	114	63
Net decrease in cash, cash equivalents, and restricted cash	(35,050)	(9,433)
Cash, cash equivalents, and restricted cash, beginning of period	214,601	33,483
Cash, cash equivalents, and restricted cash, end of period	\$ 179,551	\$ 24,050
<b>Supplemental disclosures of non-cash activities</b>		
Balance in accounts payable and accrued expenses and other current liabilities related to capitalized software and fixed asset additions	\$ (4,101)	\$ (742)
Balance in prepaid expenses and other current assets related to stock option exercises	\$ 17	\$ 269

*See accompanying notes to condensed consolidated financial statements.*



**Science 37 Holdings, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (unaudited)**

## **1. Company Background and Basis of Presentation**

### **Description of Business**

Science 37 Holdings, Inc. and its subsidiaries (the "Company" or "Science 37") operates under one reporting segment and is a leading provider of technology-based solutions that enable agile clinical trials and decentralized approaches on behalf of biopharmaceutical sponsors. The Company pioneered agile and decentralization methods and developed the industry's first Agile Clinical Trial Operating System™ ("OS") combining its unified technology platform, which orchestrates workflows, generates evidence and harmonizes data seamlessly, with its expansive centralized networks of patient communities, telemedicine investigators, mobile nursing, community providers, remote coordinators and data and devices. By making clinical research more accessible to patients and providers, the OS helps clinical research sponsors achieve faster patient enrollment, enable better patient retention and increase accessibility to representative patient populations. These improvements help accelerate the development of potentially life-saving treatments through faster study timelines and a more representative and diverse patient population.

### **Unaudited Interim Financial Information**

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of the Company's financial condition and results of operations have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021. The balance sheet as of December 31, 2021 has been derived from the audited consolidated financial statements of the Company, but does not include all the disclosures required by GAAP.

### **Emerging Growth Company and Smaller Reporting Company Status**

As an emerging growth company ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use the extended transition period under the JOBS Act until such time the Company is not considered to be an EGC. The adoption dates are discussed in the section below to reflect this election.

The Company is also a smaller reporting company as defined in Item 10(f) of Regulation S-K. Smaller reporting companies may take advantage of scaled disclosure requirements, including, among other things, providing audited financial statements for two fiscal years, in contrast to other reporting companies, which must provide audited financial statements for three fiscal years. To the extent the Company takes advantage of such scaled disclosure requirements, it may make the comparison of its financial statements with other public companies difficult or impossible.

### **Accounting Pronouncements Recently Adopted**

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes (ASU 2019-12), which eliminates certain exceptions to the guidance in Income Taxes (Topic 740) related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The Company adopted ASU 2019-12 effective January 1, 2021. The adoption of this standard did not have a material impact on the Company's condensed consolidated financial statements and related disclosures.

**Science 37 Holdings, Inc. and Subsidiaries****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)****Accounting Pronouncements Issued but Not Adopted**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This guidance introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The standard replaces the incurred loss impairment methodology in current GAAP with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company does not expect the adoption of the guidance to have a material effect on the Company's consolidated financial statements. This is primarily based on the Company's assessment of historical credit losses, customers' creditworthiness, and the fact that the Company's trade receivables are short term in duration. The Company plans to adopt the provisions of ASU 2016-13 effective January 1, 2023.

**2. Business Combination**

On October 6, 2021, the Company consummated a merger (the "Merger") with LifeSci Acquisition II Corp ("LSAQ"), pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated May 6, 2021. Pursuant to the Merger Agreement, the Company merged with LSAQ, with the Company treated as the accounting acquirer, LSAQ treated as the accounting acquiree and the Merger Transaction reflected as a reverse recapitalization. Under this method of accounting, the consolidated financial statements of Science 37, Inc. ("Legacy Science 37") are the historical financial statements of the Company. The net assets of LSAQ were stated at historical costs, with no goodwill or other intangible assets recorded in accordance with U.S. GAAP, and were consolidated with Legacy Science 37's financial statements on the closing date of the Merger Transaction. The shares and net loss per share available to holders of Legacy Science 37's common and preferred stock prior to the Merger Transaction have been retroactively adjusted as shares reflecting the exchange ratio of approximately 1.815 established in the Merger Agreement.

An aggregate of 30,858,261 shares of the Company's common stock was issued to LSAQ public shareholders, the LSAQ Sponsor, and private placement ("PIPE") investors as part of the transaction. As a result of the Merger Transaction, Legacy Science 37 shareholders received aggregate consideration of \$233.5 million in 2021, including the PIPE financing, net of LSAQ shareholder redemptions and transaction costs.

In addition, former holders of shares of Legacy Science 37 preferred and common stock and former holders of options to purchase shares of Legacy Science 37 common stock are entitled to receive their respective pro rata shares of up to 12,500,000 additional shares of the Company's Common Stock (the "Earn-Out Shares") if certain triggering events are met within 3 years from the date of the Merger. For more information on the Merger transaction, please refer to Note 1 "Company Background and Basis of Presentation" and Note 3 "Business Combination" to the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

**3. Revenue****Revenue by Geography**

Substantially all of the Company's revenue for the three months ending March 31, 2022 and 2021 was derived from services performed within the United States. No other country represented more than 10% of total revenue for either period.

**Unsatisfied Performance Obligations**

As of March 31, 2022, the aggregate amount of transaction price allocated to the unsatisfied performance obligations was \$168.5 million. The Company expects to recognize this revenue over the remaining contract term of the individual projects, with contract terms generally ranging from one month to 9.3 years. The amount of unsatisfied performance obligations is lower than the potential contractual revenue since it excludes revenue that is constrained. Revenue amounts excluded due to constraints include those amounts under contracts that are wholly unperformed in which the customer has a unilateral right to cancel the arrangement, or that require the Company to undertake numerous activities to fulfill the performance obligations, including various activities that are outside of the Company's control.

**Science 37 Holdings, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

**Timing of Billing and Performance**

During the three months ended March 31, 2022 and 2021, the Company recognized approximately \$2.6 million and \$1.7 million of revenue that was included in the deferred revenue balance at the beginning of the periods, respectively. During the three months ended March 31, 2022 and 2021, revenue recognized from performance obligations partially satisfied in previous periods was \$0.4 million and \$1.5 million, respectively. These cumulative catch-up adjustments primarily related to contract modifications executed in the current period, which resulted in changes to the transaction price and changes in estimates such as estimated total costs.

**Accounts Receivable, Unbilled Services, and Deferred Revenue**

Accounts receivable and unbilled services (including contract assets) consisted of the following:

<i>(In thousands)</i>	March 31, 2022	December 31, 2021
Accounts receivable	\$ 8,724	\$ 8,143
Unbilled services	1,589	2,825
Total accounts receivable and unbilled services	10,313	10,968
Allowance for doubtful accounts	(180)	(269)
Total accounts receivable and unbilled services, net	<u>\$ 10,133</u>	<u>\$ 10,699</u>

As of March 31, 2022 and December 31, 2021, contract assets of \$1.6 million and \$2.8 million, respectively, were included in unbilled services.

Deferred revenue as of March 31, 2022 and December 31, 2021 was \$7.5 million and \$7.6 million, respectively. Quarter over quarter changes in the Company's accounts receivable, unbilled services and deferred revenue balances were impacted by timing differences between the Company's satisfaction of performance obligations under its contracts, achievement of billing milestones, and customer payments.

**Concentration of Credit Risk**

Financial assets that subject the Company to credit risk primarily consist of cash and cash equivalents, accounts receivable and unbilled services. Based on the short-term nature and historical realization of the financial assets, as well as the reputable credit ratings of the financial institutions holding the deposits, the Company believes it bears minimal credit risk.

For the three months ended March 31, 2022 and 2021, three customers individually (totaling 48.9% and 80.6%, respectively) accounted for greater than 10% of revenue. As of March 31, 2022 and December 31, 2021, three customers individually (totaling 64.1% and 78.4%, respectively) accounted for greater than 10% of accounts receivable, net.

**Science 37 Holdings, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

**4. Leases**

Future minimum lease payments under non-cancellable leases as of March 31, 2022 were as follows:

<i>(In thousands)</i>	<b>Operating Leases</b>	
Remainder of 2022	\$	922
2023		674
2024		599
2025		138
2026		11
2027 and thereafter		—
Total future minimum lease payments		2,344
Less imputed interest		(185)
<b>Total</b>	<b>\$</b>	<b>2,159</b>
Components of lease liability reported as of March 31, 2022:		
Accrued expenses and other liabilities	\$	983
Operating lease liabilities		1,176
<b>Total</b>	<b>\$</b>	<b>2,159</b>

**5. Accrued Expenses and Other Liabilities**

Accrued expenses consist of the following as of March 31, 2022 and December 31, 2021:

<i>(In thousands)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Compensation, including bonuses, fringe benefits, and payroll taxes	\$ 7,855	\$ 11,611
Professional fees, investigator fees, and pass-through expenses	3,350	3,174
Current portion of operating lease liabilities	983	1,120
Commissions payable	1,195	1,168
Other	1,297	—
<b>Total accrued expenses and other liabilities</b>	<b>\$ 14,680</b>	<b>\$ 17,073</b>

**6. Fair Value Measurements**

Financial instruments, including cash and cash equivalents, are recorded at cost, which approximates fair value. Former holders of shares of Legacy Science 37 common stock were allocated Earn-Out Shares in connection with the completion of the Merger. These Earn-Out Shares are accounted for as a liability and require fair value measurement on a recurring basis. Due to the significant unobservable inputs that are required to value these shares, they are classified as Level 3 in the fair value hierarchy. Please refer to Note 10 “Earn-Out Shares” for additional details surrounding the valuation methodology for the Earn-Out Shares.

None of the Company’s non-financial assets or liabilities are recorded at fair value on a non-recurring basis. There were no transfers between fair value measurement levels during the three months ended March 31, 2022 and the year ended December 31, 2021.

The following table summarizes the fair value of the Company’s assets and liabilities that are measured and reported at fair value on a recurring basis as of March 31, 2022:

**Science 37 Holdings, Inc. and Subsidiaries**
**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

<i>(In thousands)</i>	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Money market funds	\$ 175,729	\$ —	\$ —	\$ 175,729
Total	\$ 175,729	\$ —	\$ —	\$ 175,729
<b>Liabilities:</b>				
Earn-out liability related to shareholders	\$ —	\$ —	\$ 23,400	\$ 23,400
Total	\$ —	\$ —	\$ 23,400	\$ 23,400

The following table summarizes the fair value of the Company's assets and liabilities that are measured and reported at fair value on a recurring basis as of December 31, 2021:

<i>(In thousands)</i>	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Money market funds	\$ 19,033	\$ —	\$ —	\$ 19,033
Total	\$ 19,033	\$ —	\$ —	\$ 19,033
<b>Liabilities:</b>				
Earn-out liability related to shareholders	\$ —	\$ —	\$ 98,900	\$ 98,900
Total	\$ —	\$ —	\$ 98,900	\$ 98,900

**7. Earnings (Loss) Per Share**

The following table presents the calculation of basic and diluted earnings (loss) per share for the Company's common stock for the three months ended March 31, 2022 and 2021 (as adjusted for the Merger Exchange Ratio as described in Note 2 "Business Combination"):

<i>(In thousands, except per share amounts)</i>	2022	2021
<b>Numerator:</b>		
Net income (loss)	\$ 44,894	\$ (6,826)
<b>Denominator:</b>		
Basic weighted average common shares outstanding	115,387	5,319
Effect of dilutive securities:		
Stock options outstanding	11,075	—
Diluted weighted average common shares outstanding	126,462	5,319
<b>Earnings (loss) per share:</b>		
Basic	\$ 0.39	\$ (1.28)
Diluted	\$ 0.35	\$ (1.28)

Certain potential common shares outstanding are excluded from the computation of diluted earnings per share. Potential common shares related to stock options, preferred stock and warrants outstanding may be determined to be anti-dilutive based on application of the treasury stock method or in periods when the Company incurs a loss. Earn-out shares are contingent upon the price of the Company's common stock over a specified period of time and the target stock prices have not been achieved as of the end of the reporting period. The number of potential shares outstanding that were excluded from the computation of diluted earnings per share, weighted for the portion of the period they were outstanding,

## Science 37 Holdings, Inc. and Subsidiaries

## Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

were as follows for the three months ended March 31, 2022 and 2021 (as adjusted for the Merger Exchange Ratio as described in Note 2 “Business Combination”):

<i>(In thousands)</i>	2022	2021
Anti-dilutive shares:		
Redeemable convertible preferred stock	—	75,495
Stock options outstanding	16,402	15,801
Warrants outstanding	—	12
Earn-out shares	12,500	—
Total	<u>28,902</u>	<u>91,308</u>

## 8. Related-Party Transactions

For the three months ended March 31, 2022 and 2021, the Company had revenue of \$2.3 million and \$4.4 million, respectively, and as of March 31, 2022 and December 31, 2021, receivables of \$1.9 million and \$2.0 million, respectively, from Pharmaceutical Products Development, LLC, a shareholder who beneficially owns 5% or more of the Company’s common stock. Pharmaceutical Products Development, LLC became a minority shareholder of the Company during the first quarter of 2019.

For the three months ended March 31, 2021, the Company had revenue of \$0.1 million from Novartis Pharma AG, who had a 50% ownership in dRX Capital AG, a shareholder who, until July 2021, had a minority interest in the Company and a seat on the Company’s Board of Directors. In July 2021, dRX Capital AG was dissolved and their interest in the Company was distributed to their owners. This dissolution and distribution did not cause any other shareholder of the Company to obtain a minority interest in the Company.

As of March 31, 2022 and December 31, 2021, the Company had receivables of \$12.1 thousand and \$27.3 thousand, from AlloVir, a Company in which Redmile Group, LLC has a minority interest. Entities affiliated with Redmile Group, LLC collectively own 5% or more of the Company’s common stock. Redmile Group, LLC became a minority shareholder of the Company in the third quarter of 2016.

## 9. Commitments and Contingencies

### Legal Proceedings

The Company is subject to proceedings incidental to its business. The Company records accruals for claims, suits, investigations, and proceedings when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company reviews these contingencies regularly and records or adjusts accruals related to such matters to reflect the impact and status of any settlements, rulings, advice of counsel or other information pertinent to a particular matter. Gain contingencies are not recognized. Legal costs associated with contingencies are expensed as incurred. Since these matters are inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events.

As of March 31, 2022, the Company had no material contingent losses recorded.

Please refer to Note 4 “Leases” for information regarding lease commitments and Note 10 “Earn-Out Shares” for information regarding the contingent obligation related to the Earn-Out Shares.

## 10. Earn-Out Shares

In accordance with the Merger Agreement, former holders of shares of Legacy Science 37 common stock (including shares received as a result of the conversion of Legacy Science 37 preferred stock) and former holders of options to purchase shares of Legacy Science 37 are entitled to receive their respective pro rata shares of up to 12,500,000 Earn-Out

**Science 37 Holdings, Inc. and Subsidiaries****Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

Shares if, during the three years following the consummation of the Merger, the volume weighted average price of Science 37's Common Stock for a period of at least 20 days out of 30 consecutive trading days:

- i. is equal to or greater than \$15.00, a one-time aggregate issuance of 5,000,000 Earn-Out Shares will be made ("Trigger 1"); and
- ii. is equal to or greater than \$20.00, a one-time aggregate issuance of 7,500,000 Earn-Out Shares will be made ("Trigger 2").

As of December 31, 2021, the stockholders and option holders were estimated to receive approximately 10,914,422 and 1,585,579 Earn-Out Shares, respectively, based on the fully diluted capitalization table of Legacy Science 37. The fair value of the Earn-Out Shares was approximately \$10.35 (Trigger 1) and approximately \$8.20 (Trigger 2) per share as of December 31, 2021.

As of March 31, 2022, the stockholders and option holders are estimated to receive approximately 10,992,532 and 1,507,468 Earn-Out Shares, respectively. The fair value of the Earn-Out Shares was approximately \$2.50 (Trigger 1) and approximately \$1.87 (Trigger 2) per share as of March 31, 2022.

The estimated fair value of the Earn-Out Shares was determined using a Monte Carlo simulation valuation model using a distribution of potential outcomes on a monthly basis over the earn-out Period using the most reliable information available. This valuation method falls into Level 3 fair value hierarchy for inputs used in measuring fair value and is based on inputs that are unobservable and significant to the overall fair value measurement. Unobservable inputs are inputs that reflect the Company's judgment concerning the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. To the extent that the valuation is based on models or inputs that are unobservable in the market, the determination of fair value requires management to exercise a high degree of judgment. Change in significant unobservable inputs could result in a higher or lower fair value measurement of the liability associated with of the Earn-Out shares. Assumptions used in the valuation were as follows:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Stock price	\$ 5.35	\$ 12.47
Expected volatility	70.0 %	55.0 %
Risk-free interest rate	2.37 %	0.91 %
Forecast period (in years)	2.5	2.8

**Former Science 37 Shareholders**

The Company has determined that the contingent obligation to issue Earn-Out Shares to former Science 37 shareholders is not indexed to the Company's stock under ASC Topic 815-40 and therefore equity treatment is precluded. The Triggering Event that determines the issuance of the Earn-Out Shares includes terms that are not solely indexed to the common stock of the Company and, as such, liability classification is required. For the three months ended March 31, 2022, there was a decrease in the fair value of the earn-out liability of \$75.5 million, which was recorded as a gain in "Change in fair value of earn-out liability" within the consolidated statements of operations. In accordance with the Merger Agreement, Earn-Out Shares attributable to former Science 37 option holders who discontinued providing service before the occurrence of the Triggering Event are reallocated to the remaining eligible former stockholders and former option holders.

## Science 37 Holdings, Inc. and Subsidiaries

## Notes to Condensed Consolidated Financial Statements (unaudited) (continued)

The earn-out liability is recorded on the balance sheet as a non-current liability because potential payment of the liability will be settled in the Company's common shares. The following table presents a reconciliation of changes in the carrying amount of the contingent earn-out liability classified as Level 3 fair value hierarchy using significant unobservable inputs for the three months ended March 31, 2022:

<i>(In thousands)</i>	<u>Earn-Out Liability</u>
Balance at December 31, 2021	\$ 98,900
Change in fair value related to option holder forfeitures	166
Change in fair value related to share valuation inputs	<u>(75,666)</u>
Total change in fair value recognized in earnings	\$ (75,500)
Balance at March 31, 2022	<u>\$ 23,400</u>

**Former Science 37 Option Holders**

The contingent obligation to issue Earn-Out Shares to former Science 37 option holders falls within the scope of ASC 718, Share-based Compensation, because the option holders are required to continue providing service until the occurrence of the Triggering Event(s). For the three months ended December 31, 2021, the Company recorded approximately \$2.1 million in share-based compensation expense related to the Earn-Out Shares. For the three months ended March 31, 2022, the Company recorded approximately \$1.9 million in share-based compensation expense related to the Earn-Out Shares, with approximately \$5.4 million of unrecognized compensation expense at March 31, 2022, which is expected to be recognized over the remaining derived service period of 0.6 years (Trigger 1) and 0.9 years (Trigger 2).

**11. Stock-Based Compensation**

The Company currently has one equity-based compensation plan, the Science 37 Holdings, Inc. 2021 Incentive Award Plan (the "2021 Plan") from which stock-based compensation awards can be granted to employees, consultants, and non-executive directors. Prior to the consummation of the Merger in the fourth quarter of 2021, the Company granted stock options to employees under the Science 31, Inc. 2015 Stock Option Plan (the "2015 Plan"). No further awards have been or will be made under the 2015 Plan following the effectiveness of the 2021 Plan. The 2021 Plan allows for the grant of awards in the form of: (i) incentive stock options; (ii) non-qualified stock options; (iii) stock appreciation rights; (iv) restricted stock; (v) restricted stock units; (vi) dividend equivalents; and (vii) other stock and cash based awards.

A summary of stock option awards outstanding as of March 31, 2022 and changes during the three months then ended were as follows:

<i>(In thousands, except per share amounts)</i>	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding at December 31, 2021	25,425	\$5.30
Granted	3,961	11.25
Exercised	(723)	0.66
Forfeited	(451)	7.90
Outstanding at March 31, 2022	<u>28,213</u>	<u>\$6.21</u>



**Science 37 Holdings, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (unaudited) (continued)**

The total amount of stock-based compensation expense recognized in the unaudited condensed consolidated statements of operations for the three months ended March 31, 2022 and 2021 was as follows:

<b>Statement of Operations classification</b> <i>(In thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Cost of revenues (stock options)	<b>\$ 514</b>	<b>\$ 55</b>
Selling, general and administrative (stock options)	<b>5,168</b>	170
Selling, general and administrative (earn-out shares)	<b>1,875</b>	—
Total stock-based compensation expense	<b>\$ 7,557</b>	<b>\$ 225</b>

## 12. Income Taxes

Science 37 is treated as a “C” corporation for U.S. tax purposes.

### *Adoption of Recent Accounting Pronouncements*

In December 2019, the FASB issued ASU No. 2019-12, Simplifying the Accounting for Income Taxes (ASU 2019-12), which eliminates certain exceptions to the guidance in Income Taxes (Topic 740) related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The Company adopted ASU 2019-12 effective January 1, 2021. The adoption of this standard did not have a material impact on the Company’s condensed consolidated financial statements and related disclosures.

The Company has incurred net operating losses since inception and is forecasting additional losses through December 31, 2022. No U.S. Federal or state income taxes are expected for 2022 and foreign income taxes are expected to be immaterial; as such, the provision for income taxes recorded as of March 31, 2022 was immaterial. Due to the Company’s history of losses since inception, there is not enough evidence at this time to support the conclusion that the Company will generate future income of a sufficient amount and nature to utilize the benefits of the Company’s net deferred tax assets. Accordingly, as of March 31, 2022 and December 31, 2021, the Company provided a full valuation allowance against its net deferred tax assets since as of that time, the Company could not assert that it was more likely than not that these deferred tax assets would be realized.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF SCIENCE 37 HOLDINGS, INC.

*The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of our results of operations and financial condition. The following discussion should be read in conjunction with the Company's condensed consolidated financial statements and notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the Company's audited consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2021. This discussion contains forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including the risks described in the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and other documents filed by us from time to time with the Securities and Exchange Commission ("SEC"). Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we," "us," "our," and "the Company" are intended to mean the business and operations of Science 37, Inc. ("Legacy Science 37") prior to the Merger and to Science 37 Holdings, Inc. following the closing of the Merger.*

### Overview of Our Business and Services

Science 37 is a leading provider of technology-based solutions that enable agile clinical trials and decentralized approaches on behalf of biopharmaceutical sponsors. The Company pioneered agile and decentralization methods and developed the industry's first Agile Clinical Trial Operating System™ ("OS") combining its unified technology platform, which orchestrates workflows, generates evidence and harmonizes data seamlessly, with its expansive centralized networks of patient communities, telemedicine investigators, mobile nursing, community providers, remote coordinators and data and devices. By making clinical research more accessible to patients and providers, we believe that the OS helps clinical research sponsors achieve faster patient enrollment, enable better patient retention and increase accessibility to representative patient populations. We believe that these improvements help accelerate the development of potentially life-saving treatments through faster study timelines and a more representative and diverse patient population.

### Key Factors Affecting Our Performance

We review certain key performance measures, as discussed below, 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.

We derive our revenue primarily from contractual arrangements to enable and enhance clinical trials through technology and services as well as licensing our proprietary technology platform to a variety of life science institutions. Thus, the following factors have been important to our business and we expect them to impact our business, results of operations and financial condition in future periods:

#### *Core business growth and expansion of technology capabilities*

Our sustained growth will require continued adoption and utilization of our products and service offerings by new and existing customers. Our revenue growth rate and long-term profitability are affected by our ability to expand our customer base through market penetration and drive broader adoption of our technology platform. Our financial performance will depend on our ability to attract, retain and sell additional solutions to our customers under favorable contractual terms.

#### *Expansion into adjacent markets*

Maintaining our growth will require additional expansion of our offerings across key verticals, including Contract Research Organization ("CRO") partnerships, electronic clinical outcome assessment capabilities, real-world evidence, clinical care, and diversity in clinical research. Our financial performance will depend on our ability to continue to execute our expansion across these key verticals with favorable contractual terms.

#### *Continued investment in growth*

We plan to continue investing in our business, including our internally developed OS, so we can capitalize on our market opportunity and increase awareness of the value that can be realized with decentralized clinical trials. We also expect to continue to make focused investments in marketing to drive brand awareness, increase the number of opportunities and further penetrate the market. We also intend to make certain investments in our general and administrative functions as we scale to meet our reporting, compliance and other obligations as a public company.

Although we expect these activities will negatively impact our results in the near term, we believe that these investments will contribute to our long-term growth and positively impact our business and results of operations.

### ***Inflation***

Our long-term contracts generally include inflation or cost of living adjustments for the portion of the services to be performed beyond one year from the contract date. In the event actual inflation rates are greater than our contractual inflation rates or cost of living adjustments, inflation could have a material adverse effect on our operations or financial condition.

### **Backlog and Net Bookings**

Our backlog represents anticipated revenue for work not yet completed or performed (i) under signed contracts, letters of intent and, in some cases, bookings that are supported by other forms of written communication and (ii) where there is sufficient or reasonable certainty about the customer's ability and intent to fund and commence the services within six months. Backlog and backlog conversion (defined as quarterly revenue for the period divided by opening backlog for that period) vary from period to period depending upon new authorizations, contract modifications, cancellations and the amount of revenue recognized under existing contracts.

We continually evaluate our backlog to determine if any previously awarded work is no longer expected to be performed. If we determine that previously awarded work is no longer probable of performance, we will remove the value from our backlog based on the risk of cancellation. We recognize revenue from these bookings as services are performed, provided the Company has received proper authorization from the customer. We exclude from backlog revenues that have been recognized and reported in the statement of operations.

Although an increase in backlog will generally result in an increase in future revenue to be recognized over time (depending on future contract modifications, contract cancellations and other adjustments), an increase in backlog at a particular point in time does not necessarily correspond to an increase in revenue during a particular period. The timing and extent to which backlog will result in revenue depends on many factors, including the timing of commencement of work, the rate at which services are performed, scope changes, cancellations, delays, receipt of regulatory approvals and the nature, duration, size, complexity, and phase of the studies. The Company's contracts generally have terms ranging from several months to several years. In addition, delayed projects remain in backlog unless they are canceled. As a result of these and other factors, our backlog might not be a reliable indicator of future revenue and we might not realize all or any part of the revenue from the authorizations in backlog as of any point in time.

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.

Our backlog as of March 31, 2022 and 2021 was as follows:

<i>(In thousands)</i>	<u>2022</u>	<u>2021</u>	<u>Change</u>	
Backlog	\$ 175,750	\$ 87,865	\$ 87,885	100.0 %

Our net bookings for the three months ended March 31, 2022 and 2021 were as follows:

<i>(In thousands)</i>	<u>2022</u>	<u>2021</u>	<u>Change</u>	
Net bookings	\$ 30,552	\$ 40,708	\$ (10,156)	(24.9)%

Our net bookings for the three months ended March 31, 2022 were negatively impacted by two large study cancellations.

## **Components of Results of Operations**

### **Revenues**

The Company derives its revenues primarily from two sources: (i) contractual arrangements to enable and enhance clinical trials through technology and services, and (ii) licensing of its proprietary technology platform to a variety of life science institutions.

Total revenues are comprised of revenues from the provision of the Company's decentralized services, including enhanced services from the use of the Company's hosted proprietary software. Revenues also include reimbursable and out of pocket expenses provided for in the Company's contracts with its customers.

See "Critical Accounting Policies and Estimates — Revenue Recognition," below for a discussion of our revenue recognition policy.

### ***Cost of Revenues***

Cost of revenues include the direct costs to conduct the Company's trials remotely and make available the Company's technology solutions. Cost of revenues consist primarily of compensation, benefits, and other employee-related costs, including expenses for stock-based compensation, contract labor, trial advertising and marketing, investigator payments, and reimbursable out-of-pocket expenses directly related to delivering on the Company's contracts. Cost of revenues is driven primarily by the number of clinical trials in which the Company is contracted, and it typically increases or decreases with changes in revenue but may fluctuate from period to period as a percentage of revenue due to project labor utilization and experience level mix of personnel assigned to projects, the type of services, changes to the timing of work performed and project inefficiencies, among other factors. Our business and operational models are designed to be highly scalable and leverage variable costs to support revenue-generating activities.

### ***Selling, General and Administrative Expenses***

Selling, general and administrative expenses include costs related to sales, marketing, and administrative functions (including human resources, legal, finance, information technology and general management) such as compensation expense and benefits, including stock-based compensation, travel, professional services, facilities, recruiting and relocation, training, sales commissions.

### ***Depreciation and Amortization***

Depreciation and amortization represent the costs charged for the Company's property, equipment and capitalized software development. We anticipate continued increase in investment in our technology platform to expand its capabilities and facilitate our customers realizing the full benefit of our offerings. The level and timing of investment in these areas could affect our depreciation and amortization expense in the future.

### ***Other Income (Expense)***

Other income (expense), net, consists of interest income, sublease income, and change in the fair value of the earn-out liability.

## Results of Operations

### Comparison of the Three Months Ended March 31, 2022 and March 31, 2021

The following table sets forth our condensed consolidated statements of operations data for the three months ended March 31, 2022 and 2021:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2022	2021
<b>Consolidated Statement of Operations:</b>		
Revenues:		
Revenues (including amounts with related parties)	\$ 18,686	\$ 12,438
Operating expenses:		
Cost of revenues (including amounts with related parties)	15,986	8,638
Selling, general and administrative	30,153	9,164
Depreciation and amortization	3,469	1,497
Total operating expenses	49,608	19,299
Loss from operations	(30,922)	(6,861)
Other income (expense):		
Interest income	94	1
Sublease income	239	33
Change in fair value of earn-out liability	75,500	—
Other income (expense)	(18)	1
Total other income (expense)	75,815	35
Income tax (benefit) expense	(1)	—
<b>Net income (loss)</b>	<b>\$ 44,894</b>	<b>\$ (6,826)</b>

### Revenue

Revenue for the three months ended March 31, 2022 and 2021 was as follows:

<i>(In thousands)</i>	2022	2021	Change	
Revenue	\$ 18,686	\$ 12,438	\$ 6,248	50.2 %

Revenue increased \$6.2 million, or 50.2%, to \$18.7 million for the three months ended March 31, 2022 as compared to \$12.4 million the same period in 2021. This increase was primarily driven by volume growth seen in higher opening backlog at the beginning of the period as compared to the prior year, as well as from new bookings and associated revenue driven by continuing growth in demand for our core offerings, decentralized clinical trial and clinical trial support solutions.

### Cost of Revenues

Cost of revenues for the three months ended March 31, 2022 and 2021 was as follows:

<i>(In thousands)</i>	2022	2021	Change	
Cost of revenues	\$ 15,986	\$ 8,638	\$ 7,348	85.1 %
% of revenue	85.6 %	69.4 %		

Cost of revenues increased \$7.3 million, or 85.1%, to \$16.0 million for the three months ended March 31, 2022 compared to \$8.6 million the same period in 2021, primarily as a result of revenue growth during the three months ended March 31, 2022. To support this growth, we incurred cost increases, primarily in compensation-related expenses and costs associated with hosting our proprietary operating platform. Headcount also increased to enable more rapid expansion of our offerings across key verticals and new markets.

**Selling, General and Administrative Expenses**

Selling, general and administrative expenses for the three months ended March 31, 2022 and 2021 were as follows:

<i>(In thousands)</i>	2022	2021	Change	
Selling, general and administrative	\$ 30,153	\$ 9,164	\$ 20,989	229.0 %
% of revenue	161.4 %	73.7 %		

Selling, general and administrative expense increased by \$21.0 million, or 229.0%, to \$30.2 million for the three months ended March 31, 2022 as compared to \$9.2 million for the same period in 2021, mainly due to investments to support continuing company growth and expenses related to becoming a publicly traded company in conjunction with the Merger. This resulted in increased headcount leading to increases in salaries and benefits, web services, software, and employee recruiting costs. Stock-based compensation expense also increased for the three months ended March 31, 2022 due to expenses associated with (i) the stock option issuances during 2021 with a fair value impacted by an increase in the value of the Company's stock during 2021 in anticipation of the Merger, (ii) additional stock option issuances to new and existing employees, and (iii) the issuance of Earn-Out Shares (defined below) to existing Legacy Science 37 option holders in conjunction with the Merger. Consulting services costs also increased, primarily with respect to the information technology services to support further enhancement and development of the our internal proprietary technology. Sales commissions expense increased due to higher bookings and related revenue for the three months ended March 31, 2022 compared to the same period in 2021.

**Depreciation and Amortization**

Depreciation and amortization expense for the three months ended March 31, 2022 and 2021 was as follows:

<i>(In thousands)</i>	2022	2021	Change	
Depreciation and amortization	\$ 3,469	\$ 1,497	\$ 1,972	131.7 %
% of revenue	18.6 %	12.0 %		

Depreciation and amortization expense increased by \$2.0 million, or 131.7%, to \$3.5 million for the three months ended March 31, 2022 as compared to \$1.5 million for the same period in 2021, primarily due to amortization on a larger capitalized software balance year over year, consistent with our focus on continuous development of new features and functionality within its proprietary software.

**Other Income (Expense)**

Other income (expense) for the three months ended March 31, 2022 was income of \$75.8 million as compared to income of \$35.0 thousand for the same period in 2021. This increase was primarily due to the recognition of \$75.5 million gain on change in fair value of the earn-out liability for the three months ended March 31, 2022.

**Liquidity and Capital Resources**

As of March 31, 2022, the Company had cash and cash equivalents of \$179.6 million. For the three months ended March 31, 2022, the Company recorded net income of \$44.9 million (which included a non-cash gain of \$75.5 million on revaluation of the earn-out liability) and used \$28.0 million and \$7.2 million of net cash in operating and investing activities, respectively, while financing activities provided \$0.1 million of cash. Cash outflows from operating activities are attributable primarily to losses from operations incurred in the three months ended March 31, 2022 and 2021. The Company has limited operating history and is in an early stage of growth, incurring significant costs in developing and commercializing its products and related services, while generating limited revenues from sales of its products and related services that are insufficient to cover operating costs. In addition, loss from operations for the three months ended March 31, 2022 includes administrative, compliance and other costs related to becoming a publicly traded company as a result of the Merger.

From inception through the consummation of the Merger, the Company had primarily been financed with net proceeds from the issuance of multiple series of redeemable preferred stock in the private market. In conjunction with the Merger, which was consummated on October 6, 2021, the Company received \$200.0 million from the private placement of an aggregate of 20,000,000 newly-issued shares of common stock from leading institutional and strategic investors (the "PIPE financing") to further fund the Company's decentralized OS and extend into new ad agencies. As a result of the Merger and

inclusive of the PIPE financing, the Company received \$233.5 million, net of fees and expenses paid in connection with the closing of the Merger.

As of March 31, 2022, the Company's principal source of liquidity was cash and cash equivalents provided from the Merger and the PIPE financing discussed above. The Company believes that its cash flows from financing activities, combined with its current cash balances will be adequate to support its working capital needs, capital expenditures and other currently anticipated liquidity requirements for at least the next twelve months.

Our future capital requirements will depend on many factors, including investments in growth and technology. To meet these future capital requirements, we may enter into arrangements to acquire or invest in complementary businesses, services, technologies and other assets, which may require us to seek additional equity or debt financing.

### Cash, Cash Equivalents and Restricted Cash

Our cash flows from operating, investing, and financing activities for the three months ended March 31, 2022 and 2021 were as follows:

<i>(In thousands)</i>	2022	2021	Change
Net cash used in operating activities	\$ (27,983)	\$ (7,087)	\$ (20,896)
Net cash used in investing activities	(7,181)	(2,409)	(4,772)
Net cash provided by financing activities	114	63	51

### Operating activities

Net cash used in operating activities for the three months ended March 31, 2022 was \$28.0 million, consisting primarily of net income of \$44.9 million, offset by changes in working capital of \$8.7 million and net adjustments for non-cash items of \$64.2 million. Changes in working capital were primarily due to decreases in accounts payable and accrued expenses. Changes in working capital were impacted by the timing of payments to vendors, as well as payment of the 2021 annual employee bonuses in March 2022. Net adjustments for non-cash items consisted primarily of a \$75.5 million gain recorded from the change in fair value of the earn-out liability, partially offset by the stock-based compensation expense and depreciation and amortization.

Net cash used in operating activities for the three months ended March 31, 2021 was \$7.1 million, consisting primarily of a net loss of \$6.8 million and changes in working capital of \$2.5 million, partially offset by net adjustments for non-cash items of \$2.2 million. Changes in working capital were primarily due to a decrease in accounts payable and accrued liabilities and a decrease in accounts receivable due to the timing of vendor payments and customer receipts, as well as payment of the 2020 employee bonuses in March 2021. Net adjustments for non-cash items primarily consisted of depreciation and amortization.

### Investing activities

Net cash used in investing activities for the three months ended March 31, 2022 was \$7.2 million, consisting of \$7.0 million in payments related to capitalized software development costs and \$0.1 million in purchases of property and equipment.

Net cash used in investing activities for the three months ended March 31, 2021 was \$2.4 million, consisting of \$2.3 million in payments related to capitalized software development costs and \$0.1 million in purchases of property and equipment.

Increase in cash used in investing activities for the three months ended March 31, 2022 compared to 2021 reflects the Company's continued focus on the development of new features and functionality within our OS.

We expect to make expenditures for additions and enhancements to our proprietary technology platform and for purchases of property and equipment. The amount, timing and allocation of capital expenditures are largely discretionary and within management's control. Depending on market conditions, we may choose to defer a portion of our budgeted expenditures until later periods to achieve the desired balance between sources and uses of liquidity and prioritize capital projects that we believe have the highest expected returns and potential to generate cash flow.

### ***Financing activities***

Net cash provided by financing activities was \$0.1 million for each of the three months ended March 31, 2022 and 2021, consisting of cash received from stock option exercises.

### **Contractual Obligations and Commitments**

Except as set forth in Note 4 “Leases” and Note 10 “Earn-Out Shares” of the notes to our condensed consolidated financial statements included in Part I, Item 1 in this Quarterly Report on Form 10-Q, there have been no material changes outside the ordinary course of business to our contractual obligations and commitments as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 22, 2022.

### **Critical Accounting Policies and Estimates**

Management’s discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions for the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

While our significant accounting policies are more fully described in Note 2 “Summary of Significant Accounting Policies” of our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, the following discussion addresses our most critical accounting policies, which are those that are most important to our financial condition and results of operations and require our most difficult, subjective, and complex judgments.

### ***Revenue Recognition***

The majority of our contracts are service contracts for clinical trial support that represent a single performance obligation. Science 37 provides a significant integration service resulting in a combined output, which is clinical trial data that meets the relevant regulatory standards and can be used by the customer to progress to the next phase of a clinical trial or solicit approval of a treatment by the applicable regulatory body. The performance obligation is satisfied over time as the output is captured in data and documentation that is available for the customer to consume over the course of the arrangement and furthers progress of the clinical trial. We recognize revenue over time using a cost-based input method since there is no single output measure that would fairly depict the transfer of control over the life of the performance obligation. Progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. Costs included in the measure of progress include direct labor and third-party costs (such as payments to investigators and other pass-through expenses related to clinical activities). This cost-based method of revenue recognition requires us to make estimates of costs to complete projects on an ongoing basis. Significant judgment is required to evaluate assumptions related to these estimates as they are based on various assumptions to project future outcomes of events that often span several years. The effect of revisions to estimates related to the transaction price or costs to complete a project are recorded in the period in which the estimate is revised. Most contracts may be terminated upon 30 to 90 days’ notice by the customer; however, in the event of termination, most contracts require payment for services rendered through the date of termination, as well as for subsequent services rendered to close out the contract.

### ***Capitalized Software and the Recognition of Related Amortization to Expense***

Science 37’s internal use proprietary software organizes workflows, captures real-time evidence, and harmonizes data during clinical trial support or enhancement. As such, we capitalize software development costs related to the development of our proprietary platform in accordance with ASC Topic 350-40, Internal Use Software. Capitalized software is recorded at cost less accumulated amortization. Costs incurred during the development stage are capitalized and consist of payroll labor and benefits, to the extent of time spent directly on the development of software, and external direct costs of materials and labor. Payroll and benefits are allocated based on the percentage of technical employees’ time spent directly on the software which involves some level of estimation. Vacation, holidays, sick time, extended leave, training, and administrative meetings are considered and excluded from the percent capitalized. Training and maintenance costs are expensed as incurred. Amortization commences once the respective assets are placed into service. The amortization of these capitalized software costs for internal use proprietary software is included in depreciation and amortization over an



estimated life of three years. The determination of the useful life for capitalized software involves some level of judgment. Amortization expense can be affected by various factors, including new software releases, acquisitions or divestitures of software, and/or impairments.

The Company reviews capitalized software for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the expected undiscounted future cash flow from the use of the capitalized software and its eventual disposition is less than the carrying value, an impairment loss is recognized and measured using the fair value of the related asset. No impairments were recognized for the three months ended March 31, 2022 or 2021.

### ***Stock-based Compensation***

We recognize the cost of share-based awards granted to employees and directors based on the estimated grant-date fair value of the awards. Cost is recognized on a straight-line basis over the service period, which is generally the vesting period of the award. We reverse previously recognized costs for unvested awards in the period that forfeitures occur. We determine the fair value of stock options using the Black-Scholes option pricing model, which is impacted by the following assumptions:

- Expected Term—We use the simplified method when calculating the expected term due to insufficient historical exercise data.
- Expected Volatility—Given the limited market trading history of our common stock, volatility is based on a benchmark of comparable companies within the traditional CRO and health technology industries.
- Expected Dividend Yield—We have not paid any cash dividends on common stock and do not anticipate doing so in the foreseeable future.
- Risk-Free Interest Rate—The interest rates used are based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term equal to the expected life of the award.

Prior to the Merger, due to the absence of an active market for Legacy Science 37's common stock, the fair value of the common stock for purposes of determining the common stock price for stock option grants was determined by Legacy Science 37's Board of Directors. Legacy Science 37's Board of Directors set the exercise price of stock options at least equal to the fair value of its common stock on the date of grant. Legacy Science 37's Board of Directors exercised judgment while considering numerous objective and subjective factors in order to determine the fair market value on each date of grant in accordance with the guidance in the American Institute of Certified Public Accountants Technical Practice Aid entitled, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the AICPA Practice Aid, including the receipt of a valuation prepared by an independent third party with extensive experience valuing common stock of privately held companies.

### ***Earn-Out Shares***

Former holders of shares of Legacy Science 37 common stock (including shares received as a result of the conversion of Legacy Science 37 preferred stock) and former holders of options to purchase shares of Legacy Science 37 are entitled to receive their respective pro rata shares of up to 12,500,000 additional shares of SNCE Common Stock (the "Earn-Out Shares") if, during the three years following the consummation of the Merger (the "Earn-Out Period"), the volume weighted average price of Science 37's Common Stock for a period of at least 20 days out of 30 consecutive trading days (each, a "Triggering Event"):

- is equal to or greater than \$15.00, a one-time aggregate issuance of 5,000,000 Earn-Out Shares will be made; and
- is equal to or greater than \$20.00, a one-time aggregate issuance of 7,500,000 Earn-Out Shares will be made.

In respect of former holders of Legacy Science 37 options, receipt of the Earn-Out Shares is subject to continued services to the Company or one of its subsidiaries at the time of the applicable Triggering Event. If there is a change of control of Science 37 during the Earn-Out Period that will result in the holders of common stock receiving a per share price equal to or in excess of any Triggering Event threshold, then immediately prior to such change of control, any Triggering Event that has not previously occurred shall be deemed to have occurred and Science 37 shall issue the Earn-Out Shares to the former holders of shares of Legacy Science 37 Common Stock and former holders of Legacy Science 37 options in accordance with their respective pro rata shares. The estimated fair value of the Earn-Out Shares was determined using a Monte Carlo simulation valuation model using a distribution of potential outcomes over the earn-out period using the most reliable information available.

The Company determined that the contingent obligation to issue Earn-Out Shares to existing Legacy Science 37 shareholders is not indexed to the Company's stock under ASC Topic 815-40 and therefore equity treatment is precluded. The Triggering Event(s) that determine the issuance of the Earn-Out Shares include terms that are not solely indexed to our common stock, and as such liability classification is required. Equity-linked instruments classified as liabilities are recorded at their estimated fair value on the date of issuance and are revalued at each subsequent balance sheet date, with fair value changes recognized in other income (expense), net in the accompanying statements of operations and comprehensive income (loss).

The Company determined that the contingent obligation to issue Earn-Out Shares to existing Legacy Science 37 option holders falls within the scope of ASC Topic 718, Share-based Compensation, because the option holders are required to continue providing service until the occurrence of the Triggering Event(s). The fair value of the option holder Earn-Out Shares is recorded as share-based compensation on a straight-line basis over the derived service period determined using the Monte Carlo simulation valuation model and recognized in selling, general and administrative expenses in the accompanying consolidated statements of operations and comprehensive income (loss).

### ***Emerging Growth Company Status***

Section 102(b)(1) of the Jumpstart Our Business Startups Act ("JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable.

The Company is an "emerging growth company" as defined in Section 2(a) of the Securities Act and has elected to take advantage of the benefits of the extended transition period for new or revised financial accounting standards. The Company expects to remain an emerging growth company at least through the end of 2022 and expects to continue to take advantage of the benefits of the extended transition period, although it may decide to early adopt such new or revised accounting standards to the extent permitted by such standards. This may make it difficult or impossible to compare our financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used.

### **Recent Accounting Pronouncements**

For a discussion of recent accounting pronouncements, see Note 1 "Company Background and Basis of Presentation" to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Under SEC rules and regulations, because we are considered to be a "smaller reporting company", we are not required to provide the information required by this item in this report.

### **Item 4. Controls and Procedures**

#### ***Limitations on Effectiveness of Disclosure Controls and Procedures***

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of the disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

#### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of March 31, 2022, our disclosure controls and procedures were effective at the reasonable assurance level.

***Changes in Internal Control Over Financial Reporting***

There have been no changes in our internal control over financial reporting, as identified in connection with the evaluation required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, during the fiscal quarter ended March 31, 2022, 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**

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, we believe would individually or in the aggregate have a material adverse effect on our business, results of operations, financial condition or cash flows.

### **Item 1A. Risk Factors**

The Company's risk factors are described in Part I, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021. These factors could materially, adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by any forward-looking statements contained in this Quarterly Report on Form 10-Q. There have been no material changes to the Company's risk factors since the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 as filed with the SEC.

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

#### *Sales of Unregistered Equity Securities*

None.

#### *Purchase of Equity Securities*

The Company did not repurchase shares of its common stock during the three months ended March 31, 2022.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

None.

**Item 6. Exhibits**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description of Exhibit	Incorporated by Reference (Unless Otherwise Indicated)		
		Form	Exhibit	Filing Date
2.1#	<a href="#">The Agreement and Plan of Merger dated as of May 6 2021, by and among LifeSci Acquisition II Corp., LifeSci Acquisition II Merger Sub, Inc. and Science 37, Inc.</a>	8-K	2.1	May 7, 2021
31.1	<a href="#">Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>			*
31.2	<a href="#">Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>			*
32.1	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>			**
32.2	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>			**
101.INS	Inline XBRL Instance Document.			*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.			*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.			*
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.			*
101.PRE	Inline XBRL Taxonomy Extension Presentation 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 agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

**Signatures**

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

**SCIENCE 37 HOLDINGS, INC.**

Date: May 9, 2022

/s/ David Coman  
\_\_\_\_\_  
Name: David Coman  
Title: Chief Executive Officer  
*(Principal Executive Officer)*

Date: May 9, 2022

/s/ Mike Zaranek  
\_\_\_\_\_  
Name: Mike Zaranek  
Title: Chief Financial Officer  
*(Principal Financial Officer and Principal Accounting Officer)*

## CERTIFICATION

I, David Coman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Science 37 Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: /s/ David Coman  
Name: David Coman  
Title: Chief Executive Officer  
(Principal Executive Officer)

## CERTIFICATION

I, Mike Zaranek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Science 37 Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

By: /s/ Mike Zaranek  
Name: Mike Zaranek  
Title: Chief Financial Officer  
(Principal Financial Officer)



**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 on Form 10-Q of Science 37 Holdings, Inc. (the "Company") for the quarterly period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 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 operations of the Company.

Date: May 9, 2022

By: /s/ David Coman  
Name: David Coman  
Title: Chief Executive Officer  
*(Principal Executive Officer)*

**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 on Form 10-Q of Science 37 Holdings, Inc. (the "Company") for the quarterly period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 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 operations of the Company.

Date: May 9, 2022

By: /s/ Mike Zaranek  
Name: Mike Zaranek  
Title: Chief Financial Officer  
*(Principal Financial Officer)*