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, 2023

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	**84-4278203**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
800 Park Offices Drive, Suite 3606 Research Triangle Park, North Carolina	**27709**
(Address of Principal Executive Offices)	(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 x No o

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

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

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	x
		Emerging growth company	x

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. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).Yes o No x

As of May 9, 2023, there were 116,760,630 shares of the registrant’s common stock, par value $0.0001 per share, outstanding.

Science 37 Holdings, Inc.

Form 10-Q

For the Quarter Ended March 31, 2023

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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, including, but not limited to, 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, are forward-looking statements. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “can,” “could,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “might,” “should,” “will,” or “would,” or, in each case, their negative or other variations or comparable terminology, although not all forward-looking statements contain these identifying words.

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, many of which are beyond the Company’s control, 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:

- expectations regarding the Company’s strategies and future financial performance, including its future business plans or objectives, prospective performance and opportunities and competitors, revenues, backlog conversion, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and ability to invest in growth initiatives and pursue acquisition opportunities, as well as regarding its cost reduction programs and anticipated cost savings;
- risks related to the Company’s technology, intellectual property, data privacy and cybersecurity practices;
- risks related to the Company’s reliance on third parties;
- risks related to general economic and financial market conditions, including the impact of ongoing supply chain disruptions and inflationary cost pressures and the possibility of an economic recession; instability in the global banking system; political, legal and regulatory environment; and the industries in which the Company operates;
- the risk that the Company will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all;
- limited liquidity and trading of the Company’s securities, including the possibility the Company’s common stock may be delisted from The Nasdaq Stock Market LLC;
- volatility in the price of Science 37’s securities due to a variety of factors, including changes in the competitive and highly regulated industries in which Science 37 operates, variations in performance across competitors and changes in laws and regulations affecting Science 37’s business;
- geopolitical risk and changes in applicable laws or regulations;
- the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors;
- operational risks; and
- litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands resulting therefrom on the Company’s resources.

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, 2022. Furthermore, we operate in an evolving environment. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in our forward-looking statements. 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, that information may be limited or incomplete. Our forward-looking statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These 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 herein 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. 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 required by law.

Part I - Financial Information

Item 1. Financial Statements

Science 37 Holdings, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, except share data)	(unaudited) March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 82,644	$ 108,091
Accounts receivable and unbilled services, net	11,679	10,992
Prepaid expenses and other current assets	6,924	7,121
Total current assets	101,247	126,204
Other assets	199	244
Total assets	**$ 101,446**	**$ 126,448**
Liabilities, redeemable convertible preferred stock and stockholders' equity		
Current liabilities:		
Accounts payable	$ 5,727	$ 7,206
Accrued expenses and other liabilities	8,984	11,364
Deferred revenue	2,594	4,606
Total current liabilities	17,305	23,176
Non-current liabilities:		
Deferred revenue	4,187	3,654
Operating lease liabilities	555	716
Commissions payable	1,215	1,336
Other long-term liabilities	73	180
Total liabilities	**23,335**	**29,062**
Commitments and Contingencies (Note 11)		
Redeemable convertible preferred stock:		
Redeemable convertible preferred stock, $0.0001 par value; 100,000,000 shares authorized, 0 issued and outstanding at March 31, 2023 and December 31, 2022, respectively	—	—
Stockholders' equity:		
Common stock, $0.0001 par value; 400,000,000 shares authorized, 116,729,430 and 116,432,029 issued and outstanding at March 31, 2023 and December 31, 2022, respectively	12	12
Additional paid-in capital	355,620	350,247
Accumulated other comprehensive income	206	193
Accumulated deficit	(277,727)	(253,066)
Total stockholders' equity	**78,111**	**97,386**
Total liabilities, preferred stock and stockholders' equity	**$ 101,446**	**$ 126,448**

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

Science 37 Holdings, Inc. and Subsidiaries

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(unaudited)

(In thousands, except per share data)	Three Months Ended March 31, 2023	2022
Revenue	$ 14,086	$ 18,686
Operating expenses:		
Cost of revenue (exclusive of depreciation and amortization)	11,110	15,986
Selling, general and administrative	20,481	30,153
Impairment of long-lived assets	7,801	—
Depreciation and amortization	213	3,469
Restructuring costs	229	—
Total operating expenses	39,834	49,608
Loss from operations	**(25,748)**	**(30,922)**
Other income (expense):		
Interest income	930	94
Sublease income	33	239
Change in fair value of earn-out liability	110	75,500
Other income (expense), net	47	(18)
Total other income (expense), net	1,120	75,815
(Loss) income before income taxes	**(24,628)**	**44,893**
Income tax expense (benefit)	—	(1)
Net (loss) income	**$ (24,628)**	**$ 44,894**
(Loss) earnings per share:		
Basic	$ (0.21)	$ 0.39
Diluted	$ (0.21)	$ 0.35
Weighted average common shares outstanding:		
Basic	116,451	115,387
Diluted	116,451	126,462
Comprehensive (loss) income		
Net (loss) income	(24,628)	44,894
Foreign currency translation	13	—
Total comprehensive (loss) income	$ (24,615)	$ 44,894

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

Science 37 Holdings, Inc. and Subsidiaries

Condensed Consolidated Statements of Stockholders’ Equity
Three Months Ended March 31, 2023 and 2022
(unaudited)

(In thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders’ Equity
Balance at December 31, 2022	**116,432**	**$ 12**	**$ 350,247**	**$ 193**	**$ (253,066)**	**$ 97,386**
Stock-based compensation	—	—	5,286	—	—	5,286
Adoption of current expected credit loss standard	—	—	—	—	(33)	(33)
Proceeds from option exercises	30	—	12	—	—	12
Proceeds from issuance of stock under the employee stock purchase plan	267	—	75	—	—	75
Net loss	—	—	—	—	(24,628)	(24,628)
Foreign currency translation, net of tax	—	—	—	13	—	13
Balance at March 31, 2023	**116,729**	**$ 12**	**$ 355,620**	**$ 206**	**$ (277,727)**	**$ 78,111**

(In thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders’ Equity
Balance at December 31, 2021	**114,991**	**$ 11**	**$ 323,666**	**$ —**	**$ (202,078)**	**$ 121,599**
Stock-based compensation	—	—	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**

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

Science 37 Holdings, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(unaudited)

(In thousands)	Three Months Ended March 31, 2023	2022
Cash flows from operating activities:		
Net (loss) income	$ (24,628)	$ 44,894
Adjustments to reconcile net income (loss) income to net cash used in operating activities:		
Depreciation and amortization	213	3,469
Non-cash lease expense related to operating lease right-of-use assets	—	281
Stock-based compensation	5,108	7,557
Gain on change in fair value of earn-out liability	(110)	(75,500)
Long-lived asset impairment	7,801	—
Loss on foreign currency exchange rates	17	—
Provision for doubtful accounts	312	(89)
Changes in operating assets and liabilities:		
Accounts receivable and unbilled services	(1,033)	655
Prepaid expenses and other current assets	201	(571)
Other assets	31	1
Accounts payable	(2,543)	(5,294)
Accrued expenses and other current liabilities	(3,222)	(3,255)
Deferred revenue	(1,478)	(145)
Operating lease liabilities	(160)	(145)
Other, net	(120)	159
Net cash used in operating activities	**(19,611)**	**(27,983)**
Cash flows from investing activities:		
Payments related to capitalized software development costs	(5,186)	(7,035)
Purchase of internal-use software	(750)	—
Purchases of property and equipment	(11)	(146)
Net cash used in investing activities	**(5,947)**	**(7,181)**
Cash flows from financing activities:		
Proceeds from stock option exercises	12	114
Proceeds from issuance of stock under the employee stock purchase plan	75	—
Net cash provided by financing activities	**87**	**114**
Effect of foreign currency exchange rate changes on cash	24	—
Net decrease in cash and cash equivalents	(25,447)	(35,050)
Cash and cash equivalents, beginning of period	108,091	214,601
Cash and cash equivalents, end of period	**$ 82,644**	**$ 179,551**
Supplemental disclosures of non-cash activities		
Balance in accounts payable, accrued expenses and other current liabilities, and capitalized stock-based compensation related to capitalized software and fixed asset additions	$ (2,068)	$ (4,101)
Balance in prepaid expenses and other current assets related to stock option exercises	$ —	$ 17

The accompanying notes are an integral part of these 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”) is a leader in patient-centric clinical trials and in supporting novel approaches to decentralized clinical trial designs. Science 37 pioneered the concept of patient-centric clinical trials with a very simple premise: that clinical trials should begin with the patient.

Through its patient-centric approach, Science 37 reduces the impact of the geographic barriers associated with conventional physical clinical trial sites, enabling recruitment of virtually any patient. Science 37 believes that centering the clinical trial around the patient with personalized support addresses current industry needs around patient recruitment, retention, representation, and engagement. To expand clinical trial access, Science 37 offers a unique model to existing non-research focused healthcare networks to seamlessly participate without the traditional site infrastructure costs.

Science 37’s patient-centric model is powered by a proprietary end-to-end unified technology platform and its team of employees with significant therapeutic and subject matter expertise. As the backbone of Science 37’s offering, the proprietary unified technology platform standardizes and orchestrates the process for clinical trials across Science 37’s specialized network of patient communities, telemedicine investigators, flexible mobile nurse networks, remote coordinators, and robust network of technology integrations. The Company operates under one reporting segment.

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, 2023. 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, 2022. The balance sheet as of December 31, 2022 has been derived from the audited consolidated financial statements of the Company, but does not include all the disclosures required by GAAP.

Reclassification

Certain previously reported amounts have been reclassified to conform to the current period presentation.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses for the periods presented. Significant estimates and assumptions are used for, but are not limited to: (1) revenue recognition, (2) allowance for doubtful accounts, (3) long-lived asset recoverability, (4) useful lives of long-lived assets, (5) stock-based compensation, and (6) fair value measurements, including the fair value of the contingent liability related to the Earn-Out Shares (as defined below) as further discussed in Note 8 “Fair Value Measurements” and Note 12 “Earn-Out Shares”.

In January 2023, following the release of our next generation unified technology platform during 2022, the Company reassessed the useful life of its unified technology platform in relation to its revenue generating activities. Based on this review, the Company determined the useful life of its unified technology platform, in relation to revenue generating activities, was longer than the useful life previously used for amortization purposes in the Company’s financial statements.

As a result, the Company increased the useful life of its unified technology platform for amortization purposes from three to five years effective January 1, 2023. The effects of this change in accounting estimate over the previous estimated useful life for the three months ended March 31, 2023 was zero because the Company's unified technology platform was fully impaired in both the fourth quarter of 2022 and for the three months ended March 31, 2023 as discussed under Note 3 "Capitalized Software, net".

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 discussed in the section below 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 certain reduced disclosure requirements, including, among other things, providing only two years of audited financial statements. To the extent the Company takes advantage of such reduced disclosure requirements, it may make the comparison of its financial statements with other public companies difficult or impossible.

Accounting Pronouncements Recently Adopted

In June 2016, the Financial Accounting Standards Board 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 adopted ASU 2016-13 effective January 1, 2023 and recorded a cumulative effect adjustment for the impact to retained earnings. The adoption of this standard did not have a material impact on the Company's consolidated financial statements and related disclosures. 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.

2. Revenue from Contracts with Customers

Unsatisfied Performance Obligations

As of March 31, 2023, the aggregate amount of transaction price allocated to the unsatisfied performance obligations was $166.5 million. The Company expects to recognize this revenue over the remaining contract term of the individual projects, with remaining contract terms generally ranging from one month to 8.3 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 (i) are wholly unperformed in which the customer has a unilateral right to cancel the arrangement, or (ii) require the Company to undertake numerous activities to fulfill the performance obligations, including various activities that are outside of the Company's control.

Timing of Billing and Performance

During the three months ended March 31, 2023 and 2022, the Company recognized approximately $3.2 million and $2.6 million of revenue, respectively, that was included in the deferred revenue balance at the beginning of the periods. During the three months ended March 31, 2023 and 2022, revenue recognized from performance obligations partially satisfied in previous periods was $0.5 million and $0.4 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:

(In thousands)	March 31, 2023	December 31, 2022
Accounts receivable	$ 9,259	$ 8,235
Unbilled services	3,563	3,555
Total accounts receivable and unbilled services	12,822	11,790
Allowance for doubtful accounts	(1,143)	(798)
Total accounts receivable and unbilled services, net	$ 11,679	$ 10,992

As of both March 31, 2023 and December 31, 2022, contract assets of $3.6 million were included in unbilled services.

Deferred revenue as of March 31, 2023 and December 31, 2022 was $6.8 million and $8.3 million, respectively. 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.

Revenue by Geography

Substantially all of the Company’s revenue for the three months ended March 31, 2023 and 2022 was derived from services performed within the United States. No other country represented more than 10% of total revenue for either period.

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, 2023 and 2022, two and three customers, respectively, individually (totaling 22.3% and 48.9% of revenues, respectively) accounted for greater than 10% of revenue. As of March 31, 2023 and December 31, 2022, three and two customers, respectively, individually (totaling 52.9% and 39.1% of accounts receivable, net, respectively) accounted for greater than 10% of accounts receivable, net.

3. Capitalized Software, net

For the three months ended March 31, 2023 and 2022, the Company capitalized $7.2 million and $11.1 million, respectively, of internal-use software and recognized amortization expense of $0.2 million and $3.3 million, respectively.

In addition, on January 31, 2023, the Company purchased scheduling software at a cost of $0.8 million. The acquired software will be integrated into the Company’s unified technology platform over a six to nine month period. This purchase and integration will enable increased scheduling efficiencies and related cost savings and demonstrates the Company’s continuous improvement and cost reduction commitments.

The net book value of the Company’s internal use software totaling $7.8 million and $42.1 million as of March 31, 2023 and December 31, 2022, respectively, was impaired due to the carrying value of the asset group being greater than the fair value. The Company considered the market capitalization valuation as of March 31, 2023 and December 31, 2022 which was adversely impacted by sustained declines in the Company’s stock price during the fourth quarter of 2022 through March 31, 2023, in determining the fair value of the asset group. The market capitalization was trading below cash and cash equivalents and stockholders' equity at March 31, 2023 and December 31, 2022, respectively, which required the Company to recognize the long-lived asset impairment. The Company remains confident in the utility of the long-lived assets and there has been no change as to their intended use.

No long-lived asset impairment expense was recognized for the three months ended March 31, 2022.

4. Leases

The following table presents lease liability maturities and balance sheet classification as of March 31, 2023:

(in thousands) **Years Ending December 31,**	**Operating Leases**	
2023 (excluding the three months ended March 31, 2023)	$	508
2024		599
2025		138
2026		11
2027 and thereafter		—
Total future minimum lease payments		1,256
Less imputed interest		(80)
Total lease liability	$	1,176
Balance Sheet classification of lease liabilities reported as of March 31, 2023:		
Current liabilities: Accrued expenses and other liabilities	$	621
Non-current liabilities: Operating lease liabilities		555
Total	$	1,176

5. Restructuring Costs

On November 10, 2022, the Company committed to and commenced a cost reduction program to materially change the Company's management structure and better align resources with our then-current business needs and going forward financial objectives. The cost reduction program included one-time termination benefits for 81 employees (approximately 15% of the Company's workforce at the time of the reduction). The Company's Board of Directors approved the program on November 9, 2022, and the majority of the affected employees were informed of the program beginning on November 10, 2022. The cost reduction program is expected to be substantially completed by the second quarter of 2023.

During the three months ended March 31, 2023, the Company recognized $0.2 million of restructuring costs. There were no restructuring costs for the three months ended March 31, 2022. Total costs and cash expenditures for the cost reduction program are estimated at $3.0 million to $3.3 million, substantially all of which are related to one-time employee severance and benefits costs. In addition, on April 11, 2023, the Company commenced an additional phase of our cost reduction program affecting approximately 140 employees as disclosed in Note 15 "Subsequent Events"**.** The Company may continue to incur additional restructuring costs during and beyond 2023 related to its cost reduction program. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the cost reduction program.

Restructuring liabilities are included in accrued expenses and other liabilities on the consolidated balance sheets. Activity related to the restructuring liabilities was as follows:

(In thousands)	**March 31, 2023**	
Balance at beginning of period	$	772
Restructuring costs		229
Payments		(379)
Balance at end of period	$	622

The Company expects the majority of the restructuring accruals as of March 31, 2023 will be paid in 2023, pursuant to the terms of one-time benefits.

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

(In thousands)	March 31, 2023	December 31, 2022
Prepaid expenses	$ 2,543	$ 2,834
Capitalized commission cost, net	4,162	3,945
Other	219	342
Total prepaid expenses and other current assets	$ 6,924	$ 7,121

7. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following:

(In thousands)	March 31, 2023	December 31, 2022
Compensation, including bonuses, fringe benefits, and payroll taxes	$ 3,878	$ 5,750
Professional fees, investigator fees, and pass-through expenses	2,177	2,527
Commissions payable	1,501	1,529
Restructuring costs	622	772
Current portion of operating lease liabilities	621	606
Other	185	180
Total accrued expenses and other liabilities	$ 8,984	$ 11,364

8. Fair Value Measurements

Financial instruments, including cash and cash equivalents, are recorded at cost, which approximates fair value. Former holders of shares of Science 37, Inc. (“Legacy Science 37”) common stock were allocated Earn-Out Shares in connection with the completion of the October 2021 merger with LifeSci Acquisition II Corp. (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, 2022 filed on March 6, 2023). 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 12 “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 subject to fair value measurement on a non-recurring basis. There were no transfers between fair value measurement levels during the three months ended March 31, 2023.

The following table summarizes the fair values of the Company’s assets and liabilities that were measured and reported at fair value on a recurring basis as of March 31, 2023:

(In thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 77,289	$ —	$ —	$ 77,289
Total	$ 77,289	$ —	$ —	$ 77,289
Liabilities:				
Earn-out liability related to shareholders	$ —	$ —	$ 60	$ 60
Total	$ —	$ —	$ 60	$ 60

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

(In thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Money market funds	$ 104,138	$ —	$ —	$ 104,138
Total	$ 104,138	$ —	$ —	$ 104,138
Liabilities:				
Earn-out liability related to shareholders	$ —	$ —	$ 170	$ 170
Total	$ —	$ —	$ 170	$ 170

9. Earnings (Loss) Per Share

The following table presents the calculation of basic and diluted earnings (loss) per share for the Company’s common stock:

	Three Months Ended March 31,	
(In thousands, except per share amounts)	2023	2022
Numerator:		
Net (loss) income	$ (24,628)	$ 44,894
Denominator:		
Basic weighted average common shares outstanding	116,451	115,387
Effect of dilutive securities:		
Stock options	—	11,075
Diluted weighted average common shares outstanding	116,451	126,462
Earnings (loss) per share:		
Basic	$ (0.21)	$ 0.39
Diluted	$ (0.21)	$ 0.35

Potential common shares that are considered anti-dilutive are excluded from the computation of diluted earnings per share. Potential common shares related to stock-based awards issued under stock-based compensation programs and shares issuable pursuant to the employee stock purchase plan may be determined to be anti-dilutive based on the application of the treasury stock method. Potential common shares are also considered anti-dilutive in periods when the Company incurs a net 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 anti-dilutive, and were excluded from the computation of diluted earnings per share, weighted for the portion of the period they were outstanding, were as follows:

	Three Months Ended March 31,	
(In thousands)	2023	2022
Stock options	24,220	16,402
Restricted stock units	9,826	—
ESPP	280	—
Earn-out shares	12,500	12,500
Total anti-dilutive shares	46,826	28,902

10. Related-Party Transactions

For the three months ended March 31, 2023 and 2022, the Company had revenue of $0.2 million and $2.3 million, respectively, from Pharmaceutical Product Development, LLC (“PPD”), a wholly-owned subsidiary of Thermo Fisher Scientific, Inc. and a shareholder who beneficially owns 5% or more of the Company’s common stock. In addition, as of March 31, 2023 and December 31, 2022, the Company had receivables of $0.1 million and $0.7 million, respectively, from PPD.

11. 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.

Commitments and Contingencies

As of March 31, 2023, the Company had no material contingent losses recorded.

Please refer to Note 4 “Leases” for information regarding lease commitments and Note 12 “Earn-Out Shares” for information regarding the contingent obligation related to the Earn-Out Shares.

12. Earn-Out Shares

In accordance with the October 2021 Merger, 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 three 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, 2022, filed on March 6, 2023.

As of December 31, 2022, the stockholders and option holders were estimated to receive approximately 11,131,713 and 1,368,287 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 $0.02 (Trigger 1) and approximately $0.01 (Trigger 2) per share as of December 31, 2022.

As of March 31, 2023, the stockholders and option holders were estimated to receive approximately 11,184,437 and 1,315,563 Earn-Out Shares, respectively. The fair value of the Earn-Out Shares was approximately $0.01 (Trigger 1) and approximately $0.00 (Trigger 2) per share as of March 31, 2023.

Through the third quarter of 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. Based on the first year Monte Carlo simulation valuation model results, the change in the Company’s stock price and the relative immaterial nature of the earn-out liability, the fair value of the Earn-Out Shares for both the three months ended March 31, 2023 and December 31, 2022 was determined using a valuation methodology that the Company believes approximates the fair value of the Earn-Out Shares that would be determined using the Monte Carlo simulation valuation model.

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, Derivatives and Hedging - Contracts in Entity's Own Equity, 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, 2023, there was a decrease in the fair value of the earn-out liability of $0.1 million, which was recorded as a gain in "Change in fair value of earn-out liability" within the condensed consolidated statements of operations. In accordance with the Merger, Earn-Out Shares attributable to former Science 37 option holders who discontinue providing service before the occurrence of the Triggering Event are reallocated to the remaining eligible former stockholders and former option holders.

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, 2023:

(In thousands)	Earn-Out Liability	
Balance at December 31, 2022	$	170
Change in fair value related to option holder forfeitures		—
Change in fair value related to share valuation inputs		(110)
Total change in fair value recognized in earnings	$	(110)
Balance at March 31, 2023	$	60

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, Compensation - Stock Compensation, because the option holders are required to continue providing service until the occurrence of the Triggering Event(s). For the three months ended March 31, 2023 and 2022, the Company recorded approximately $0.4 million and $1.9 million, respectively, in stock-based compensation expense related to the Earn-Out Shares. No unrecognized compensation expense was remaining at March 31, 2023.

13. Stock-Based Compensation

The Company has two equity-based compensation plans, the Science 37 Holdings, Inc. 2021 Incentive Award Plan ("2021 Plan") and the 2022 Employment Inducement Incentive Award Plan ("2022 Plan", and together with the 2021 Plan, the "Plans"). From the 2021 Plan, stock-based compensation awards can be granted to employees, consultants, and non-executive directors. From the 2022 Plan, inducement stock-based awards can be granted to newly hired employees in accordance with Nasdaq Listing Rules. 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 ("RSUs"); (vi) dividend equivalents; and (vii) other stock and cash based awards. The 2022 Plan allows for the grant of awards in the form of: (i) non-qualified stock options; (ii) stock appreciation rights; (iii) restricted stock; (iv) RSUs; (v) dividend equivalents; and (vi) other stock and cash-based awards. The Compensation Committee of the Board is responsible for the administration of both Plans. In addition, the Company has an Employee Stock Purchase Plan (the "ESPP").

The terms of stock-based instruments granted are determined at the time of grant and are typically subject to such conditions as continued employment and the passage of time. The Company has granted 1) stock options, which typically vest at 25% per year and become exercisable after one year of service after the date of issuance, with equal and successive vesting for the next 36 months, as long as the employee provides service to the Company, as defined and 2) RSUs, which are contingent upon continued service and vest over time in annual or bi-annual installments over the vesting period, which is typically 1 to 3 years. In addition, employees, consultants, and directors owning stock options immediately prior to the October 2021 Merger were granted the right to receive a number of Earn-Out Shares as described in Note 12.

The ESPP is a shareholder-approved plan under which substantially all employees may voluntarily enroll to purchase the Company's common stock through payroll deductions at a price equal to 85% of the lower of the fair market value of the stock as of the beginning or end of the six-month offering periods. Employees may not purchase more than 5,000 shares annually under the plan.

The following table summarizes stock option awards outstanding as of March 31, 2023, as well as activity during the three months then ended:

(In thousands, except per share amounts)	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2022	24,490	$ 6.16
Granted	286	0.37
Exercised	(30)	0.40
Forfeited	(689)	7.30
Outstanding at March 31, 2023	24,057	$ 6.06

The following table summarizes RSU awards outstanding as of March 31, 2023, as well as activity during the three months then ended:

(In thousands, except per share amounts)	Number of RSUs	Weighted Average Grant Date Fair Value	Aggregate Fair Value
Outstanding at December 31, 2022	9,737	$ 2.06	
Granted	1,056	$ 0.24	
Vested	—	$ —	
Forfeited	(243)	$ 2.24	
Outstanding at March 31, 2023	10,550	$ 1.87	$ 19,732

As of March 31, 2023, the total unrecognized compensation expense related to outstanding stock options and RSU awards was $33.6 million and $12.6 million, respectively, which the Company expects to recognize over a weighted-average period of 2.24 and 2.36 years, respectively.

On April 3, 2023, the Company filed a Schedule TO with the Securities and Exchange Commission in connection with an exchange offer to eligible employees (including named executive officers) of the Company to voluntarily exchange some or all of their outstanding stock options, whether vested or unvested, with an exercise price greater than or equal to $9.06 per share for a lesser number of RSUs with standard three year service-based vesting requirements (the "Exchange Offer"). The Exchange Offer closed on April 28, 2023. In the aggregate, 4,674,682 RSUs were issued in exchange for 10,605,665 stock options that had a weighted average exercise price of $10.22. The new RSUs granted in connection with the Exchange Offer are governed by the 2021 Plan and will result in incremental stock-based compensation expense of $1.0 million over a three year period. None of the above options, RSUs, or expense figures have been adjusted for the impact of the Exchange Offer.

As of March 31, 2023, there were 267,401 shares issued and 5,968,901 shares reserved for future issuance under the ESPP. As of March 31, 2023, the total unrecognized compensation expense related to the ESPP was de minimis, which the Company expects to recognize over a period of 0.42 years.

The total amount of stock-based compensation expense recognized in the unaudited condensed consolidated statements of operations for the three months ended March 31, 2023 and 2022 was as follows:

Statement of operations classification	**Three Months Ended March 31,**	
(In thousands)	**2023**	**2022**
Cost of revenue (stock options, RSUs and ESPP)	$ 250	$ 514
Selling, general and administrative (stock options, RSUs and ESPP)	4,453	5,168
Selling, general and administrative (Earn-Out Shares)	405	1,875
Total stock-based compensation expense	$ 5,108	$ 7,557

Stock-based compensation expense recognized in the statements of operations may differ from the impact of stock-based compensation to additional paid-in capital due to stock-based compensation capitalized as part of software development activities.

14. Income Taxes

The Company has incurred net operating losses since inception and is forecasting additional losses through December 31, 2023. No U.S. Federal or material state income taxes are expected for 2023 and foreign income taxes are expected to be immaterial; as such, the provision for income taxes recorded as of March 31, 2023 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, 2023 and December 31, 2022, 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.

15. Subsequent Events

On April 11, 2023, the Company commenced an additional phase of our cost reduction program. In a continued effort to align the organization relative to core business needs and go forward financial objectives, this phase included a reduction in force affecting approximately 140 employees (representing approximately 30% of total employees prior to these actions). The Company's Board of Directors approved the reduction in force on March 30, 2023 and the majority of the affected employees were informed on April 11, 2023. The Company expects the majority of the reduction in force to be completed by the end of the second quarter of 2023.

Total cash expenditures for the reduction in force are estimated at approximately $3.7 million, substantially all of which are related to employee severance costs. The Company expects to recognize most of these pre-tax reduction in force charges in the second quarter of 2023. The Company's estimates are subject to a number of assumptions, and actual results may differ. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the cost reduction program.

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

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 Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022. 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, 2022 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," "Science 37," and "the Company" are intended to mean the business and operations of Science 37 Holdings, Inc..

Overview of Our Business and Services

Science 37 is a leader in patient-centric clinical trials and in supporting novel approaches to decentralized clinical trial designs. Science 37 pioneered the concept of patient-centric clinical trials with a very simple premise: that clinical trials should begin with the patient.

Through its patient-centric approach, Science 37 reduces the impact of the geographic barriers associated with conventional physical clinical trial sites, enabling recruitment of virtually any patient. Science 37 believes that centering the clinical trial around the patient with personalized support addresses current industry needs around patient recruitment, retention, representation, and engagement. To expand clinical trial access, Science 37 offers a unique model to existing non-research focused healthcare networks to seamlessly participate without the traditional site infrastructure costs.

Science 37's patient-centric model is powered by a proprietary end-to-end unified technology platform and its team of employees with significant therapeutic and subject matter expertise. As the backbone of Science 37's offering, the proprietary unified technology platform standardizes and orchestrates the process for clinical trials across Science 37's specialized network of patient communities, telemedicine investigators, flexible mobile nurse networks, remote coordinators, and robust network of technology integrations. The Company operates under one reporting segment.

Key Factors Affecting Our Performance

We derive our revenue primarily from contractual arrangements to enable and enhance clinical trials through technology and services as well as licensing our unified 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 unified 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 unified technology platform, 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. Although we expect these activities to 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.

Key Performance Measures

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.

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 revenue that has been recognized and reported in the statement of operations from backlog.

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 may remain in backlog until 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, 2023 and 2022 was as follows:

(In thousands)	2023	2022	Change	
Backlog	$ 170,518	$ 175,750	$ (5,232)	(3.0)%

Our net bookings for the three months ended March 31, 2023 and 2022 were as follows:

(In thousands)	2023	2022	Change	
Net bookings	$ 11,665	$ 30,552	(18,887)	(61.8)%

Our net bookings for the three months ended March 31, 2023 were negatively impacted by a realization adjustment on a single program that was previously put on hold in the quarter affecting both net bookings and backlog.

Components of Results of Operations

Revenue

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

Total revenue is comprised of revenue from the provision of the Company's decentralized services, including enhanced services from the use of the Company's hosted unified technology platform. Revenue also includes 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 Revenue

Cost of revenue includes the direct costs to conduct the Company's trials remotely and make available the Company's technology solutions. Cost of revenue consists 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 revenue 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.

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, privacy and training, and general management) such as compensation expense and benefits, including stock-based compensation, travel, professional services, facilities, recruiting and relocation, training, and sales commissions.

Depreciation and Amortization

Depreciation and amortization represent the costs charged for the Company's property, equipment and capitalized software development. The Company records depreciation and amortization on property and equipment using the straight-line method, based on the estimated useful lives of the respective assets. The Company depreciates leasehold improvements over the shorter of the lease term or the estimated useful lives of the improvements. The Company amortizes software development costs over five years. We will continue to invest additional resources in our unified technology platform, to expand its capabilities and ensure that customers are 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.

Restructuring Costs

Restructuring costs consist of employee severance and benefits. The Company commenced a cost reduction program in the fourth quarter of 2022 to materially change the Company's management structure and to better align resources with our then-current business needs and going forward financial objectives, which included one-time termination benefits for 81 employees. In addition, the Company carried out an additional phase of the cost reduction program on April 11, 2023 in a continued effort to align the organization relative to core business needs and going forward financial objectives, which included one-time termination benefits for approximately 140 employees.

Other Income (Expense), net

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

Results of Operations

Comparison of the three months ended March 31, 2023 and 2022

The following table sets forth our unaudited condensed consolidated statements of operations data for the three months ended March 31, 2023 and 2022:

(In thousands)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenue	$ 14,086	$ 18,686
Cost of revenue and operating expenses:		
Cost of revenue (exclusive of depreciation and amortization)	11,110	15,986
Selling, general and administrative	20,481	30,153
Impairment of long-lived assets	7,801	—
Depreciation and amortization	213	3,469
Restructuring costs	229	—
Total operating expenses	39,834	49,608
Loss from operations	(25,748)	(30,922)
Total other income (expense), net	1,120	75,815
(Loss) income before income taxes	(24,628)	44,893
Income tax expense (benefit)	—	(1)
Net (loss) income	$ (24,628)	$ 44,894

Revenue

Revenue for the three months ended March 31, 2023 and 2022 was as follows:

(In thousands)	2023	2022	Change	
Revenue	$ 14,086	$ 18,686	$ (4,600)	(24.6)%

For the three months ended March 31, 2023, our revenue decreased by $4.6 million, or 24.6%, to $14.1 million, as compared to $18.7 million for the same period in 2022. This decrease was primarily driven by reduced opening backlog coverage resulting from prior year net bookings as well as to lower COVID related revenues year-over-year.

Cost of Revenue

Cost of revenue for the three months ended March 31, 2023 and 2022 was as follows:

(In thousands)	2023	2022	Change	
Cost of revenue (exclusive of depreciation and amortization)	$ 11,110	$ 15,986	$ (4,876)	(30.5)%
% of revenue	78.9 %	85.6 %		

For the three months ended March 31, 2023, cost of revenue decreased by $4.9 million, or 30.5%, to $11.1 million, as compared to $16.0 million for the same period in 2022, primarily related to the revenue decrease as well as the Company’s cost reduction efforts. Specifically, we recognized cost decreases primarily in compensation-related expenses and consulting fees to better align to anticipated revenues.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended March 31, 2023 and 2022 were as follows:

(In thousands)	2023	2022	Change	
Selling, general and administrative	$ 20,481	$ 30,153	$ (9,672)	(32.1)%
% of revenue	145.4 %	161.4 %		

Selling, general and administrative expenses decreased by $9.7 million, or 32.1%, to $20.5 million for the three months ended March 31, 2023 as compared to $30.2 million for the same period in 2022. The decrease was mainly due to lower salaries and wages, public company and software costs as a result of the cost reduction plan that was executed in the fourth quarter of 2022.

Impairment of Long-Lived Assets

Impairment of long-lived assets for the three months ended March 31, 2023 and 2022 was as follows:

(In thousands)	2023	2022	Change	
Impairment of long-lived assets	7,801	—	$ 7,801	— %
% of revenue	55.4 %	— %		

Impairment of long-lived assets was $7.8 million for the three months ended March 31, 2023 as compared to $— for the same period in 2022. The increase was due to the full impairment of the Company's long-lived assets for the three months ended March 31, 2023 due to the carrying value of the asset group being greater than the fair value. The Company considered the market capitalization valuation as of March 31, 2023, which was adversely impacted by sustained declines in the Company's stock price during 2022 and 2023, in determining the fair value of the asset group. The market capitalization was trading below cash and cash equivalents and stockholders' equity at March 31, 2023, which required the Company to recognize the long-lived asset impairment. The Company remains confident in the utility of the long-lived assets and there has been no change as to their intended use.

Depreciation and Amortization

Depreciation and amortization expense for the three months ended March 31, 2023 and 2022 was as follows:

(In thousands)	2023	2022	Change	
Depreciation and amortization	$ 213	$ 3,469	$ (3,256)	(93.9)%
% of revenue	1.5 %	18.6 %		

Depreciation and amortization expense decreased by $3.3 million, or 93.9%, to $0.2 million for the three months ended March 31, 2023 as compared to $3.5 million for the same period in 2022. The decrease in depreciation and amortization expense during the three months ended March 31, 2023 was due to the impairment of long-lived assets in the fourth quarter of 2022, partly offset by depreciation and amortization expense recognized on new assets purchased or capitalized during the three months ended March 31, 2023.

Restructuring Costs

Restructuring costs for the three months ended March 31, 2023 and 2022 were as follows:

(In thousands)	2023	2022	Change	
Restructuring costs	$ 229	$ —	$ 229	— %
% of revenue	1.6 %	— %		

Restructuring costs were $0.2 million for the three months ended March 31, 2023 as compared to $— for the same period in 2022. The increase in restructuring costs during the three months ended March 31, 2023 was due to the fourth quarter 2022 reduction in force related to the Company's cost reduction program.

Other Income (Expense)

The components of other income (expense), net were as follows:

	Three Months Ended March 31,	
(In thousands)	2023	2022
Interest income	$ 930	$ 94
Sublease income	33	239
Change in fair value of earn-out liability	110	75,500
Other income (expense), net	47	(18)
Total other income (expense), net	$ 1,120	$ 75,815

Other income (expense) for the three months ended March 31, 2023 was income of $1.1 million compared to income of $75.8 million for the three months ended March 31, 2022, respectively. This decrease 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 compared to a gain of $0.1 million for the three months ended March 31, 2023. In addition, one of the Company's leases, and related subleases, expired during the fourth quarter of 2022. These decreases were partly offset by an increase in interest income for the three months ended March 31, 2023 mainly due to movement of the majority of cash to a federal money market fund.

Liquidity and Capital Resources

Key measures of our liquidity were as follows:

(In thousands)	March 31, 2023	December 31, 2022
Balance sheet data:		
Cash and cash equivalents	$ 82,644	$ 108,091
Working capital	83,942	103,028

As of March 31, 2023, the Company had cash and cash equivalents of $82.6 million. For the three months ended March 31, 2023, the Company recorded a net loss of $24.6 million, and used $19.6 million and $5.9 million of net cash in operating and investing activities, respectively, while financing activities provided $0.1 million of net cash. Cash outflows from operating activities were attributable primarily to losses from operations incurred in the three months ended March 31, 2023. 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 revenue from sales of its products and related services that are insufficient to cover operating costs.

As of March 31, 2023, the Company's principal source of liquidity was cash and cash equivalents provided from the October 2021 merger with LifeSci Acquisition II Corp. (the "Merger") and related private placement financing. The Company believes that the 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. In the event that we require additional financing, we may not be able to raise such financing in a timely manner, on terms acceptable to us, or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation of our unified technology platform, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition.

Cash Flows

Our cash flows from operating, investing, and financing activities were as follows:

	Three Months Ended March 31,		
(In thousands)	2023	2022	Change
Net cash used in operating activities	$ (19,611)	$ (27,983)	$ 8,372
Net cash used in investing activities	(5,947)	(7,181)	1,234
Net cash provided by financing activities	87	114	(27)

Operating activities

Net cash used in operating activities for the three months ended March 31, 2023 was $19.6 million, consisting primarily of net loss of $24.6 million and changes in working capital of $8.3 million, partly offset by net adjustments for non-cash items of $13.3 million. Changes in working capital were primarily due to decreases in accounts payable and accrued expenses related to the timing of invoicing and payment, including the payment of the 2022 annual employee bonus in March 2023, a decrease in deferred revenue due to timing of up-front and milestone cash received from customers relative to revenue recognized, and an increase in net receivables due to the timing of invoicing and collections during the three months ended March 31, 2023. Net adjustments for non-cash items consisted primarily of the loss on impairment of long-lived assets and stock-based compensation expense.

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 $8.6 million and net adjustments for non-cash items of $64.3 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 stock-based compensation expense and depreciation and amortization.

Investing activities

Net cash used in investing activities for the three months ended March 31, 2023 was $5.9 million, consisting of $5.2 million in payments related to capitalized software development costs and a $0.8 million purchase of internal-use scheduling software to be integrated into the Company’s unified technology platform over a six to nine month period.

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.

The purchase of internal-use scheduling software during the three months ended March 31, 2023 reflects the Company’s continuous improvement objective in relation to our unified technology platform in addition to the Company’s efficiency and overall cost-reduction objectives.

We expect to make expenditures for additions and enhancements to our unified technology platform and for purchases of property and equipment, as needed. 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, 2023 and 2022, consisting of cash received from stock option exercises and proceeds from issuance of stock under the employee stock purchase plan for the three months ended March 31, 2023 and cash received from stock option exercises for the three months ended March 31, 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 generally accepted accounting principles in the United States of

America (“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, 2022, 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 unified technology platform 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 unified technology 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, stock-based compensation expense for direct employees, 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 our unified technology platform is included in depreciation and amortization over an estimated life of five 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.

In January 2023, following the full impairment of the Company’s long-lived assets as of December 2022, the Company reassessed the useful life of its unified technology platform in relation to its revenue generating activities. Based on this review, the Company determined the actual useful life of its unified technology platform, in relation to revenue generating activities, was longer than the useful life used for amortization purposes in the Company’s financial statements. As a result, the Company increased the useful life of its unified technology platform for amortization purposes from three to five years effective January 1, 2023. The effects of this change in accounting estimate over the previous estimated useful life for the three months ended March 31, 2023 was zero because the Company’s unified technology platform was fully impaired in both the fourth quarter of 2022 and for the three months ended March 31, 2023 as discussed below.

The Company reviews capitalized software for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. 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. Assets are reported at the lower of the carrying amount or the fair value less costs to sell. The net book value of the Company's unified technology platform totaling $7.8 million and $42.1 million was impaired as of March 31, 2023 and December 31, 2022 due to the fair value of the asset group being lower than its carrying value under the long-lived asset impairment test as of March 31, 2023 and December 31, 2022, respectively. In the fourth quarter of 2022 through March 31, 2023, the Company's common stock price experienced significant decline, resulting in market value trading below cash and cash equivalents and stockholders' equity at March 31, 2023 and December 31, 2022, respectively.

Stock-Based Compensation

We recognize the cost of stock-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 and shares issued under the employee stock purchase plan (ESPP) 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 October 2021 Merger, due to the absence of an active market for Science 37 Inc.'s ("Legacy Science 37") 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, 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

As of the October 2021 Merger date, 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 the Company's common stock (the "Earn-Out Shares") if, during the period beginning on the Merger Transaction date and ending on October 6, 2024, the share price equal to 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 within the three-year period following the closing of the October 2021 Merger that will result in the holders of Science 37 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 condensed consolidated statements of operations and comprehensive 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 condensed consolidated statements of operations and comprehensive 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 2023 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 Rule 13a-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 Rule 13a-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, 2023, 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 during the fiscal quarter ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

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. However, legal proceedings are inherently uncertain. As a result, the outcome of a particular matter or a combination of matters may be material to our results of operations for a particular period, depending upon the size of the loss or our income for that particular period.

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, 2022. 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, 2022 as filed with the SEC on March 6, 2023.

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

Sales of Unregistered Equity Securities

None.

Purchases of Equity Securities

The Company did not repurchase shares of its common stock during the three months ended March 31, 2023.

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.

		Incorporated by Reference (Unless Otherwise Indicated)		
Exhibit Number	Description of Exhibit	Form	Exhibit	Filing Date
2.1#	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.	8-K	2.1	May 7, 2021
3.1	Second Amended and Restated Certificate of Incorporation.	S-1	3.1	November 5, 2021
3.2	Amended and Restated Bylaws of Science 37 Holdings, Inc.	8-K	3.3	October 13, 2021
10.1+	Science 37 Holdings, Inc. Amended and Restated Executive Severance Policy			*
10.2+	Form of Participation Agreement for the Amended and Restated Executive Severance Policy			*
10.3+	Form of Restricted Stock Unit Agreement under the 2021 Incentive Award Plan (Exchange Offer).	SC TO-I	(a)(1)(L)	April 3, 2023
31.1	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.			*
31.2	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.			*
32.1	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.			**
32.2	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.			**
101	The following unaudited financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) the Notes to Condensed Consolidated Financial Statements.			*
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.

\+ Indicates management contract or compensatory plan or arrangement.

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 15, 2023		/s/ David Coman
		Name:	David Coman
		Title:	Chief Executive Officer
			(Principal Executive Officer)
Date:	May 15, 2023		/s/ Mike Zaranek
		Name:	Mike Zaranek
		Title:	Chief Financial Officer
			(Principal Financial Officer and Principal Accounting Officer)

SCIENCE 37 HOLDINGS, INC.
Amended and Restated Executive Severance Policy

I. OVERVIEW

The Executive Severance Policy (the "Policy") established by Science 37 Holdings, Inc. (the "Company") and approved by the Company's Board of Directors, effective as of October 7, 2021 is hereby amended and restated as set forth herein as the Policy, effective as of April 18, 2023 (the "Effective Date"). This Policy is an "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) and a "top hat" welfare plan for a select group of management or highly compensated employees under Section 2520.104-24 of ERISA. This Policy supersedes all severance plans, policies or practices of the Company and its Subsidiaries for Participants (but excluding, for clarity, any Individual Agreement (as defined below)). Capitalized terms used in this Policy are defined in Section IX below.

II. ELIGIBILITY

This Policy applies to any employee of the Company or any Subsidiary who is, at the time of his or her termination of employment, (a) the Chief Executive Officer of the Company (the "CEO") and the members of the Company's senior executive team as listed on Schedule I attached hereto (each, an "Executive Participant"), (b) the full-time employees of the Company as listed on Schedule II attached hereto (each, an "Other Employee Participant", and, together with the Executive Participants, "Participants") or (c) any full-time employee of the Company who is recommended by the CEO to the Administrator (as defined below) to be a key employee who should be eligible to participate in the Policy. This Policy does not apply to employees whose employment terminates for any reason other than due to a Qualifying Termination (as defined below).

III. SEVERANCE PAYMENTS AND BENEFITS

A. *Outside of the Change in Control Period*.

Employees who qualify as Executive Participants and who incur a Qualifying Termination outside of the Change in Control Period will receive the following severance benefits (the "Non-CIC Severance Benefits for Executive Participants"):

Cash Severance	COBRA	Equity Awards
1. 12 months of his or her annual base salary 2. Any Prior-Year Bonus 3. Pro-Rated Bonus	1. 12 months Company-subsidized COBRA continuation	1. Equity Awards will be treated as set forth in the Plan and award agreements governing such Equity Awards

Employees who qualify as Other Employee Participants and who incur a Qualifying Termination outside of the Change in Control Period will receive the following severance benefits (the "Non-CIC Severance Benefits for Other Employee Participants"):

Cash Severance	COBRA	Equity Awards
1. 6 months of his or her annual base salary 2. Any Prior-Year Bonus 3. Pro-Rated Bonus	1. 6 months Company-subsidized COBRA continuation	1. Equity Awards will be treated as set forth in the Plan and award agreements governing such Equity Awards

B. ***Within the Change in Control Period***.

Each employee who qualifies as an Executive Participant and who incurs a Qualifying Termination within the Change in Control Period (except as noted below) will receive the following severance benefits (the "CIC Severance Benefits for Executive Participants"), provided that, such Executive Participant was in good standing and meeting business objectives prior to the Change in Control Period:

Cash Severance	COBRA	Equity Awards
1. 18 months of his or her annual base salary 2. Any Prior-Year Bonus 3. Pro-Rated Bonus 4. Target Bonus	1. 18 months Company-subsidized COBRA continuation	1. All equity Awards will vest in full (to the extent then-unvested) irrespective of a Qualifying Termination

Each employee who qualifies as an Other Employee Participant and who incurs a Qualifying Termination within the Change in Control Period will receive the following severance benefits (the "CIC Severance Benefits for Other Employee Participants"), provided that, such Other Employee Participant was in good standing and meeting business objectives prior to the Change in Control Period:

Cash Severance	COBRA	Equity Awards
1. 12 months of his or her annual base salary 2. Any Prior-Year Bonus 3. Pro-Rated Bonus 4. Target Bonus	1. 12 months Company-subsidized COBRA continuation	1. All equity Awards will vest in full (to the extent then-unvested) irrespective of a Qualifying Termination

C. ***Payment Timing and Mechanics***. The Non-CIC Severance Benefits and/or CIC Severance Benefits, for Executive Participants or Other Employee Participants, as applicable (together, the "Severance Benefits"), will be paid or provided as follows:

1) Any annual base salary will be paid in installments in accordance with the Company's regular payroll practices during the period commencing on the date of the Qualifying Termination and ending on the six (6)-month (for Non-CIC Severance Benefits for Other

Employee Participants), twelve (12)-month (for Non-CIC Severance Benefits for Executive Participants and for CIC Severance Benefits for Other Employee Participants) or eighteen (18)-month (for CIC Severance Benefits for Executive Participants) anniversary thereof; *provided*, that no such payments will be made prior to the date on which the Release (as defined below) becomes effective and irrevocable and, if the aggregate period during which the applicable Participant is entitled to consider and/or revoke the Release spans two calendar years, no payments under this clause (1) will be made prior to the beginning of the second such calendar year (and any payments otherwise payable prior thereto (if any) will instead be paid on the first regularly scheduled Company payroll date occurring in the latter such calendar year (or, if later, the first regularly scheduled Company payroll date occurring after the Release becomes effective and irrevocable).

2) Any Prior-Year Bonus, any Target Bonus and any Pro-Rated Bonus will be paid in a single lump-sum amount within seventy (70) days following the date of the Qualifying Termination, except that if such seventy (70)-day period spans two calendar years, then such amount will in all events be paid in the second such calendar year (with the exact date of such payment determined in accordance with the foregoing by the Administrator in its sole discretion).

3) With respect to Company-subsidized COBRA, if (and only if) the Participant timely and properly elects continuation coverage under COBRA, then during the period commencing on the date of the Qualifying Termination and ending on the earlier of (A) the six (6)-month (for Non-CIC Severance Benefits for Other Employee Participants), twelve (12)-month (for Non-CIC Severance Benefits for Executive Participants and for CIC Severance Benefits for Other Employee Participants) or eighteen (18)-month (for CIC Severance Benefits for Executive Participants) anniversary thereof or (B) the date on which the Participant becomes covered by a group health insurance program provided by a subsequent employer (in any case, the "COBRA Period"), the Company shall reimburse the Participant for the Participant's and his or her eligible dependents with coverage under its group health plans at the same levels and the same cost to the Participant as would have applied if the Participant's employment had not been terminated based on the Participant's elections in effect on the Qualifying Termination date, *provided, however*, that (x) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), or (y) the Company is otherwise unable to continue to cover the Participant under its group health plans without incurring penalties (including without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to the Participant in substantially equal monthly installments over the COBRA Period (or the remaining portion thereof).

4) Any accelerated vesting of Equity Awards will occur effective immediately prior to the consummation of the Change in Control, irrespective of a Qualifying Termination.

D. ***Other Benefits***. If, in connection with any Participant's Qualifying Termination that entitles him or her to Severance Benefits under this Section III, such Participant also becomes entitled to receive severance payments and/or benefits under any Individual Agreement or, if the Participant resides outside of the United States, under the laws of his or her country of residence (in either case, the "Individual Severance") and the Individual Severance (or any component thereof) is more favorable to the Participant than the Severance Benefits (or any component thereof), then such Participant will be entitled to receive the greater of the Individual Severance (or such component thereof) or the Severance Benefits (or such component thereof), provided that the Participant may not receive a duplication of benefits. By way of example only, if a Participant's Individual Severance consists of a Prior-Year Bonus, 12 months' annual base salary, and 6 months' accelerated vesting of Equity Awards and such Participant incurs a Qualifying Termination outside of the Change in Control Period entitling him or her to the Non-CIC Severance Benefits for Executive Participants, then such Participant will be eligible to receive severance consisting of (i) a Prior Year Bonus, (ii) a pro-rated bonus (iii) 12 months' annual base salary, (iv) 12 months' Company-subsidized COBRA and (v) 6 months' accelerated vesting of Equity Awards.

IV. CONDITIONS TO RECEIPT OF SEVERANCE

In order to be eligible to receive any Severance Benefits under this Policy (other than accelerated vesting of Equity Awards due to a Change in Control), a Participant must (i) execute and return to the Company a general release of claims in favor of the Company and its Subsidiaries in a form prescribed by the Company (a "Release"), which Release becomes effective and irrevocable within sixty (60) days following the date of the Participant's Qualifying Termination, and (ii) continue to comply with the terms of all applicable restrictive covenants (including confidentiality, non-compete and non-solicit provisions) in favor of the Company and its Subsidiaries to which the Participant is bound. If, at any time during which severance payments and benefits are being provided to the Participant, the Participant breaches his or her Release and/or applicable restrictive covenants, all Severance Benefits (other than accelerated vesting of Equity Awards due to a Change in Control) will immediately cease to be paid or provided.

V. NON-COMPETITION AND NON- SOLICITATION.

As a condition to becoming a Participant in the Plan, during a Participant's employment and for one (1) year following the termination of the Participant's employment for any reason (including a Qualifying Termination) (such date, the "**Separation Date**"), the Participant agrees not to, without the prior written consent of the Committee:

(a) directly or indirectly, engage in, or assist any other person or entity to engage in, any business that competes with any business in which either the Company or its successors is engaging, or in which either the Company or its successors has substantial plans to engage as of the Separation Date that are known by the Participant, provided that: (i) this restriction shall not apply to the ownership by the Participant of not more than five percent (5%) of any class of the publicly traded securities of any entity; and (ii) following the date of the Participant's separation from the Company for any reason this restriction shall not apply to any geographical area where, as of the Separation Date, the Company or its successors are not conducting substantial business, are not providing substantial products or services, or did not have substantial plans to provide such products or services; and (iii) following the Separation Date this restriction shall not apply to any business acquired after the Separation Date by the Company or its successors, which business, does not compete with either the Company's or its successors' business as it existed on the Separation Date.

(b) directly or indirectly: (i) solicit or seek to entice away from the Company or its successors, or offer employment or any consulting or other service arrangement to, any person who is employed by the Company or its successors; or (ii) interfere with the business relationship of the Company or its successors with any person or entity who is a customer or client of, supplier to or other party having material business relations with the Company or its successors.

VI. PARACHUTE PAYMENTS

A. ***Best Pay Cap***. Notwithstanding anything herein to the contrary, in the event that any amount or benefit received or to be received by any Participant pursuant to this Policy or any other agreement, plan or arrangement (collectively, the "Covered Payments"), would subject the Participant to an excise tax under Section 4999 of the Code (an "Excise Tax"), then, after taking into account any reduction in the Covered Payments provided by reason of Section 280G of the Code in any other plan, arrangement or agreement, then such remaining Covered Payments shall be reduced, to the extent necessary so that no portion of the Covered Payments is subject to the Excise Tax but only if (i) the net amount of such Covered Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Covered Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Covered Payments) is greater than or equal to (ii) the net amount of such Covered Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Covered Payments and the amount of Excise Tax to which such Participant would be subject in respect of such unreduced Covered Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Covered Payments).

B. ***Certain Exclusions***. For purposes of determining whether and the extent to which a Participant's Covered Payments will be subject to the Excise Tax, (i) no portion of the Covered Payments the receipt or enjoyment of which such Participant shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Covered Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting firm (the "Independent Advisors") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Covered Payments shall be taken into account which, in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Covered Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

VII. ADMINISTRATION; AMENDMENT AND TERMINATION

A. ***Administration***. This Policy shall be interpreted, administered and operated by the Compensation Committee of the Company's Board of Directors (in such capacity, the "Administrator"). The Administrator shall have complete authority in its sole discretion subject to the express provisions of this Policy, to determine who shall be eligible for the payments and benefits under this Policy, to interpret the terms of this Policy, to prescribe, amend and rescind such rules and regulations relating to this Policy as it shall deem necessary or appropriate, and to make all other determinations necessary or advisable for the administration of this Policy.

B. ***Amendment; Termination***. This Policy may be amended or terminated by the Company's Board of Directors or the Administrator at any time with respect to any Participant who has not incurred a Qualifying Termination; *provided* that no such amendment or termination may adversely impact a Participant's right to receive Severance Benefits hereunder unless (i) such Participant has provided his or her written consent or (ii) such amendment or termination applies to all then-current Participants in the Policy.

VIII. MISCELLANEOUS

A. ***No Right to Employment***. Nothing in this Policy gives any employee the right to be retained in the employment of the Company or a Subsidiary or otherwise modifies the employee's at-will employment relationship with the Company or a Subsidiary. The Policy is not a contract of employment between the Company or a Subsidiary and any employee.

B. ***Severability***. If any provision of this Policy is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provisions of the Policy, and the Policy shall be construed and enforced as if such provision had not been included in the Policy.

C. ***Unfunded Obligations***. The amounts to be paid to Participants under this Policy are unfunded obligations of the Company. The Company is not required to segregate any monies or other assets from its general funds with respect to these obligations. Participants will not have any preference or security interest in any assets of the Company other than as a general unsecured creditor.

D. ***Transfer***. Neither a Participant nor any other person shall have any right to sell, assign, transfer, pledge, anticipate or otherwise encumber, transfer, hypothecate or convey any amounts payable under this Policy prior to the date that such amounts are paid, except that, in the case of a Participant's death, such amounts shall be paid to the Participant's beneficiaries.

E. ***Governing Law***. The Policy is intended to be governed by and will be construed in accordance with ERISA and, to the extent not preempted by ERISA, the laws of the State of Delaware.

F. ***Clawback***. Any amounts payable under this Policy are subject to any policy (whether in existence as of the Effective Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to any Participant. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

G. ***Withholding***. The Company and its Subsidiaries will have the right to withhold from any amount payable hereunder any federal, state and local taxes required by law to be withheld therefrom.

H. ***Section 409A***.

1) To the extent applicable, this Policy shall be interpreted and applied consistent and in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder (collectively, "Section 409A"). Notwithstanding any provision of this Policy to the contrary, to the extent that the Administrator determines that any payments or benefits under this Policy may not be either compliant with or exempt from Section 409A, the Administrator may in its sole discretion adopt such amendments to this Policy or take such other actions that the Administrator determines are necessary or appropriate to (i) exempt the compensation and benefits payable under this Policy from Section 409A and/or preserve the intended tax treatment of such compensation and benefits, or (ii) comply with the requirements of Section 409A; *provided*, *however*, that this Section VII(H) shall not create any obligation on the part of the Administrator to adopt any such amendment or take any other action, nor shall the Company or any Subsidiary have any liability for failing to do so

2) Notwithstanding anything to the contrary in this Policy, no amounts shall be paid to any Participant under this Policy during the six-month period following such Participant's "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the Code and Treasury Regulation Section 1.409A-1(h)) to the extent that the Administrator determines that paying such amounts at the time or times indicated in this Policy would result in a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of the Participant's death), the Participant shall receive payment of a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Participant during such six-month period without interest thereon.

3) To the extent that any payments or reimbursements provided to a Participant under this Policy are deemed to constitute compensation to the Participant to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31st of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Participant's right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit. For purposes of Section 409A, each separately identified amount to which a Participant is entitled under this Policy shall be treated as a separate payment. In addition, to the extent permissible under Section 409A, the right to receive any installment payments under this Policy shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Treasury Regulation Section 1.409A-2(b)(2)(iii). Whenever a payment under the Policy specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

I. ***Assumption of Plan***. The Company shall require any successor thereto (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, whether pursuant to a Change in Control or otherwise, to expressly assume and agree to perform the obligations under this Policy in the same manner and to the same extent the Company would be required to perform if no such succession had taken place.

J. ***Complete Statement of Policy***. This Policy document contains a complete statement of the terms of the Policy and supersedes all prior statements with respect to the terms of the Policy. This Policy document also serves as the summary plan description. No other evidence, whether written or oral, shall be taken into account in interpreting the provisions of the Policy. In the event of a conflict between a provision in the Policy document and any booklet, brochure, presentation, or other communication (whether written or oral), the provision of this Policy document shall control.

K. ***Claims***. Any claims under or relating to this Policy will be subject to the procedures set forth on Exhibit A, which is incorporated into this Policy as if first set forth herein.

IX. DEFINITIONS

For purposes of this Policy, the following terms have their respective meanings set forth below:

1) "***Cause***" means, with respect to any Participant, "Cause" as defined in an effective, written employment agreement between the Participant and the Company or a Subsidiary thereof if such an agreement exists and contains a definition of Cause, or, if no such agreement exists or such agreement does not contain a definition of Cause, then Cause means any one or more of the following: (i) any act or omission by a Participant which, if convicted by a court of law, would constitute a felony or a crime of moral turpitude; (ii) a Participant's dishonesty or material violation of standards of integrity in the course of fulfilling his or her employment duties to the Company or any of its Subsidiaries; (iii) a Participant's insubordination or a violation of a written policy of the Company or its Subsidiaries, violation of which would be grounds for dismissal under applicable Company (or Subsidiary) policy; (iv) willful, repeated failure on the part of the Participant to perform his or her employment duties (provided that such duties are ethical and proper under applicable law) in any material respect, after reasonable written notice of such failure and Participant's failure to correct or cure such failure within ten (10) calendar days following delivery of such notice, provided that the conduct constituting Cause is reasonably open to or capable of a cure (for instance, where the conduct does not involve a violation of trust or otherwise adversely affect the relationship between the Participant and the Company or its Subsidiaries on a going-forward basis); (v) any act or omission by a Participant materially adverse to the interest of the Company or any its Subsidiaries, or reasonably likely to result in material harm to the Company or any its Subsidiaries; (vi) a Participant's material breach of any written agreement between Participant and the Company; (vii) a Participant's failure to comply in any material respect with any Company policy, code of conduct, or ethics policy; or (viii) a Participant's failure to comply in any material respect with any statute, regulation, or legal requirement applicable to the Participant's position with the Company or its business.

2) "***Change in Control***" has the meaning set forth in the Plan.

3) "***Change in Control Period***" means the period commencing thirty (30) days prior to, and ending eighteen (18) months following, the consummation of a Change in Control.

4) "***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

5) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended.

6) "***Equity Award***" means any equity-based award covering shares of Company common stock (including, without limitation, stock options, restricted stock units and restricted stock granted under the Plan or otherwise).

7) “***ERISA***” means the U.S. Employee Retirement Income Security Act of 1974, as amended.

8) ***“Good Reason”*** means (i) a material diminution in Participant’s duties or responsibilities; (ii) a material diminution in Participant’s base salary, Target Bonus, or annual equity award, (iii) a requirement that Participant relocate Participant’s principal place of employment to a location more than twenty-five (25) miles from Participant’s then principal place of employment immediately prior to such relocation, or not permitting the Participant to work remotely, or (iv) a requirement that Participant travel on the Company’s business to an extent substantially inconsistent with the Participant’s business travel obligations prior to the Change in Control.

9) “***Individual Agreement***” means, with respect to any Participant, any individual employment agreement, offer letter, severance agreement or similar agreement between such Participant and the Company or any of its Subsidiaries that provides such Participant with severance payments and/or benefits.

10) “***Plan***” means the Company’s 2021 Incentive Award Plan (or any successor plan thereto).

11) “***Pro-Rated Bonus***” means, with respect to any Participant, such Participant’s target annual bonus for the calendar year in which the Participant incurs a Qualifying Termination, pro-rated based on the length of such Participant’s employment with the Company or its Subsidiaries during the calendar year of such Participant’s Qualifying Termination.

12) “***Prior Year Bonus***” means, with respect to any Participant, any annual bonus for the calendar year immediately prior to the calendar year in which the Participant’s Qualifying Termination occurs that has been earned but remains unpaid as of the date of such Qualifying Termination.

13) “***Qualifying Termination***” means a Participant’s termination of employment with the Company and its Subsidiaries by the Company or a Subsidiary without Cause or termination by Participant with Good Reason.

14) “***Subsidiary***” means any direct or indirect subsidiary of the Company.

15) “***Target Bonus***” means, with respect to any Participant, such Participant’s target annual bonus.

EXHIBIT A

CLAIMS PROCEDURES

A. ***General***. Claims for benefits under this Policy shall be administered in accordance with Section 503 of ERISA and the Department of Labor Regulations thereunder. The Administrator shall have the right to delegate its duties under this Exhibit and all references to the Administrator shall be a reference to any such delegate, as well. The Administrator shall make all determinations as to the rights of any Participant, beneficiary, alternate payee or other person who makes a claim for benefits under this Policy (each, a "Claimant"). A Claimant may authorize a representative to act on his or her behalf with respect to any claim under the Policy. A Claimant who asserts a right to any benefit under this Policy he or she has not received, in whole or in part, must file a written claim with the Administrator. All written claims shall be submitted to [Name, Title]; [address]; [email].

B. ***Regular Claims Procedure***. The claims procedure in this subsection (B) shall apply to all claims for Policy benefits.

1) Timing of Denial

C. . If the Administrator denies a claim in whole or in part (an "adverse benefit determination"), then the Administrator will provide notice of the decision to the Claimant within a reasonable period of time, not to exceed ninety (90) days after the Administrator receives the claim, unless the Administrator determines that any extension of time for processing is required. In the event that the Administrator determines that such an extension is required, written notice of the extension will be furnished to the Claimant before the end of the initial ninety (90) day review period. The extension will not exceed a period of ninety (90) days from the end of the initial ninety (90) day period, and the extension notice will indicate the special circumstances requiring such extension of time and the date by which the Administrator expects to render the benefit decision.

1) Denial Notice. The Administrator shall provide every Claimant who is denied a claim for benefits with a written or electronic notice of its decision. The notice will set forth, in a manner to be understood by the Claimant:

a. the specific reason or reasons for the adverse benefit determination;

b. reference to the specific Policy provisions on which the determination is based;

c. a description of any additional material or information necessary for the Claimant to perfect the claim and an explanation as to why such information is necessary; and

d. an explanation of the Policy's appeal procedure and the time limits applicable to such procedures, including a statement of the Claimant's right to bring an action under Section 502(a) of ERISA after receiving a final adverse benefit determination upon appeal.

2) Appeal of Denial. The Claimant may appeal an initial adverse benefit determination by submitting a written appeal to the Administrator within sixty (60) days of receiving notice of the denial of the claim. The Claimant:

a. may submit written comments, documents, records and other information relating to the claim for benefits;

b. will be provided, upon request and without charge, reasonable access to and copies of all documents, records and other information relevant to the Claimant's claim for benefits; and

c. will receive a review that takes into account all comments, documents, records and other information submitted by the Claimant relating to the appeal, without regard to whether such information was submitted or considered in the initial benefit determination.

3) Decision on Appeal. The Administrator will conduct a full and fair review of the claim and the initial adverse benefit determination. The Administrator holds regularly scheduled meetings at least quarterly. The Administrator shall make a benefit determination no later than the date of the regularly scheduled meeting that immediately follows the Policy's receipt of an appeal request, unless the appeal request is filed within thirty (30) days preceding the date of such meeting. In such case, a benefit determination may be made by no later than the date of the second regularly scheduled meeting following the Policy's receipt of the appeal request. If special circumstances require a further extension of time for processing, a benefit determination shall be rendered no later than the third regularly scheduled meeting of the Administrator following the Policy's receipt of the appeal request. If such an extension of time for review is required, the Administrator shall provide the Claimant with written notice of the extension, describing the special circumstances and the date as of which the benefit determination will be made, prior to the commencement of the extension. The Administrator generally cannot extend the review period any further unless the Claimant voluntarily agrees to a longer extension. The Administrator shall notify the Claimant of the benefit determination as soon as possible but not later than five (5) days after it has been made.

4) Notice of Determination on Appeal. The Administrator shall provide the Claimant with written or electronic notification of its benefit determination on review. In the case of an adverse benefit determination, the notice shall set forth, in a manner intended to be understood by the Claimant:

a. the specific reason or reasons for the adverse benefit determination;

b. reference to the specific Policy provisions on which the adverse benefit determination is based;

c. a statement that the Claimant is entitled to receive, upon request and without charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits;

d. a statement describing any voluntary appeal procedures offered by the Policy and the Claimant's right to obtain the information about such procedures; and

e. a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

D. ***Exhaustion; Judicial Proceedings***. No action at law or in equity shall be brought to recover benefits under the Policy until the claim and appeal rights described in the Policy have been exercised and the Policy benefits requested in such appeal have been denied in whole or in part. If any judicial proceeding is undertaken to appeal the denial of a claim or bring any other action under ERISA other than a breach of fiduciary claim, the evidence presented may be strictly limited to the evidence timely presented to the Administrator. Any such judicial proceeding must be filed by the earlier of: (a) one (1) year after the Administrator's final decision regarding the claim appeal or (b) one (1) year after the Participant or other Claimant commenced payment of the Policy benefits at issue in the judicial proceeding.

E. ***Administrator's Decision is Binding***. Benefits under the Policy shall be paid only if the Administrator decides in its sole discretion that a Claimant is entitled to them. In determining claims for benefits, the Administrator has the authority to interpret the Policy, to resolve ambiguities, to make factual determinations, and to resolve questions relating to eligibility for and amount of benefits. Subject to applicable law, any decision made in accordance with the above claims procedures is final and binding on all parties and shall be given the maximum possible deference allowed by law. A misstatement or other mistake of fact shall be corrected when it becomes known and the Administrator shall make such adjustment on account thereof as it considers equitable and practicable.

SCHEDULE I

SCHEDULE II

[Date]

[Name]
[Title]

Re: Participation Agreement for Science 37 Holdings, Inc.'s Amended and Restated Executive Severance Plan

ame],

The Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Science 37 Holdings, Inc. (the "**Company**") hereby extends to you (and with respect to the Company's Chief Executive Officer, the Board hereby extends to you) the opportunity to be a Participant in the Science 37 Holdings, Inc. Amended and Restated Executive Severance Plan (the "**Plan**"). The Committee approved the Plan effective as of _____________, 2023, replacing the Science 37 Holdings, Inc. Executive Severance Plan.

A Participant in the Plan shall receive, and the Company is obligated to pay, severance benefits if the Participant's employment is terminated under certain circumstances, as described in the Plan, including, but not limited to, a severance payment and health benefit continuation.

Your right to receive, and the Company's obligation to pay, benefits under the Plan are at all times subject to the terms and conditions set forth in the Plan document, a copy of which is attached and the terms of which are incorporated by reference into this Participation Agreement. Defined terms used herein but not otherwise defined have the meanings assigned to such terms in the Plan document.

By signing this Participation Agreement, you acknowledge and agree that your right to receive, and the Company's obligation to provide, any benefits under the Plan is subject to all of the terms and conditions of the Plan, including your compliance with the non-competition and non-solicitation provisions of Section V of the Plan and (except with respect to the accelerated vesting of Equity Awards due to a Change in Control) the timely execution and non-revocation of a general release as described in Section IV of the Plan.

Please indicate your acceptance of the terms and conditions of the Plan and this Participation Agreement by signing this Participation Agreement where indicated below, and returning it to the Company's Chief Legal and Human Resources Officer within five (5) business days of the date first set forth above.

Sincerely,
Science 37 Holdings, Inc.

By: __
Name:
Title:

Accepted by: ______________________________ Date: ______________________________________

[Name]

Exhibit 31.1

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 15, 2023

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

Exhibit 31.2

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 15, 2023

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

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Science 37 Holdings, Inc. (the "Company") for the quarterly period ended March 31, 2023, 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 15, 2023

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

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Science 37 Holdings, Inc. (the "Company") for the quarterly period ended March 31, 2023, 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 15, 2023

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