

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **March 14, 2022 (March 10, 2022)**

Sema4 Holdings Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

333 Ludlow Street, North Tower, 8th Floor

Stamford, Connecticut

(Address of Principal Executive Offices)

001-39482

(Commission File Number)

85-1966622

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

06902

(Zip Code)

(800) 298-6470

Registrant's telephone number, including area code
(Former name or former address, if changed since last report.)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	SMFR	The Nasdaq Global Select Market
Warrants to purchase one share of Class A common stock, each at an exercise price of \$11.50 per share	SMFRW	The Nasdaq Global Select Market

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On March 14, 2022, Sema4 Holdings Corp. (“Sema4 Holdings” or the “Company”) issued a press release (the “Press Release”) and will hold a conference call announcing the Company's financial results for the year ended December 31, 2021. Copies of the Press Release and Earnings Presentation are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

The information furnished with this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

In connection with the preparation of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021 (the “2021 10-K”), the Company identified an adjustment to the classification of certain expenses related to the genetic counseling department reported in cost of services that should have been reported in selling and marketing in the Company’s prior period financial statements. Additionally, the Company has identified adjustments generally related to recognition of cost of services out of period in the three month periods ended March 31, 2021, June 30, 2021 and September 30, 2021.

On March 10, 2022, after discussion with Ernst & Young LLP, the Company’s independent registered public accounting firm (“EY”), the Company’s management, in consultation with the Audit Committee of the Board of Directors of the Company, concluded that it is appropriate (i) to correct the classification of such expenses in its statement of operations and comprehensive loss in the previously issued audited financial statements for the year ended December 31, 2020 and December 31, 2019, and (ii) to correct the classification of such expenses and the timing of recognition of cost of services in the unaudited financial information for the three months ended March 31, 2021 and 2020, June 30 2021 and 2020 and September 30, 2021 and 2020 (collectively the “Relevant Periods”) by restating such audited and unaudited financial information because the adjustments are material to the financial statements for each of the Relevant Periods. As a result, the audited and unaudited financial statements for the Relevant Periods can no longer be relied on.

The Company will include the restated audited and unaudited financial statements for the Relevant Periods in the 2021 10-K which will be filed on March 14, 2022.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated March 14, 2022, regarding the Registrant’s results for the year ended December 31, 2021
99.2	Earnings Presentation, dated March 14, 2022

SIGNATURES

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

Sema4 Holdings Corp.

Date: March 14, 2022

By: /s/ Eric Schadt
Name: Eric Schadt
Title: Chief Executive Officer

Sema4 Reports Fourth Quarter and Full Year 2021 Financial Results and Business Highlights

37% increase in fourth quarter test volumes (excluding COVID-19 tests) compared to the same period last year

Record quarterly test volume of nearly 83,000

24% growth in fourth quarter revenue (excluding COVID-19 tests) compared to the same period last year

Reiterating full year 2022 total revenue guidance of \$215-225 million

Sema4 to host conference call today at 4:30 p.m. ET

STAMFORD, CT — March 14, 2022 — [Sema4](#) Holdings Corp. (Nasdaq: SMFR) (“Sema4”), an AI-driven genomic and clinical data intelligence platform company, today reported its financial results for the fourth quarter and full year ended December 31, 2021 and provided an update on key strategic and operational initiatives.

“2021 was a transformative year during which we grew our test volumes and patient database, further established Sema4 as a partner of choice for health systems, advanced our strategic objectives to accelerate the growth of our platform of algorithms, and listed on Nasdaq as a public company,” said [Eric Schadt](#), PhD, Founder and Chief Executive Officer of Sema4. “We are well positioned for 2022 and are excited to see the investments in our key initiatives begin to scale our core business and further grow our data engine. We also continue to expect to close the acquisition of GeneDx by the end of Q2, which will significantly enhance the power of our Centrellis® platform and distance us as the market leader with the most comprehensive clinically relevant data set available for research and development purposes.”

“I am pleased with our results in the quarter, and as we look ahead to 2022, I am encouraged by the trajectory of volumes and gross margins,” said [Isaac Ro](#), Chief Financial Officer of Sema4. “Investments in automation, people, and processes are now translating into tangible efficiencies. We expect gross margins to further improve throughout 2022.”

Fourth Quarter & Recent Highlights

- Diagnostic testing volumes were up 37% in the fourth quarter of 2021 compared to the same period of 2020, with 82,966 tests resulted (excluding COVID-19 tests), including 142% growth in Oncology and 33% growth in Women’s Health
- Total revenue increased 24% in the fourth quarter of 2021 (excluding COVID-19 testing revenue) compared to the same period of 2020, resulting in total revenue of \$47.3 million compared to \$38.2 million
- Published two papers in November 2021 in partnership with the Mount Sinai Health System demonstrating the ability of Sema4’s machine learning algorithms to predict clinical outcomes and drive meaningful changes in the standard of care for postpartum hemorrhage
- Announced the signing of a definitive agreement to acquire GeneDx, Inc. (“GeneDx”) in January 2022, which is expected to strengthen Centrellis with more than 300,000 clinical exomes and over 2.1 million expertly annotated phenotypes
- Entered into definitive agreements for a \$200 million private placement financing from leading growth and life sciences investors, including Pfizer, in January 2022 in conjunction with the signing of the merger agreement for the pending GeneDx acquisition
- Strengthened Market Access Team in February 2022 with the addition of 30-year industry veteran, Jerry Conway, Sema4’s SVP of Market Access
- Included in *Fast Company*’s prestigious annual list of the World’s Most Innovative Companies in March 2022; named as one of the top three most innovative data science companies

Full Year 2021 Business Highlights

- Signed three new health system partnerships with NorthShore University HealthSystem, AdventHealth, and Avera Health, launching broad precision medicine initiatives to improve health outcomes

- Further developed our clinical trial and testing solutions, real world evidence studies, and casual network models for drug discovery in oncology, autoimmune and rare diseases, while also launching new transformative partnerships focused on creating significant value for pharmaceutical and biotech companies
- Launched Sema4 Elements®, our portfolio of data science-driven products and services to support reproductive and generational health, including a newly enhanced version of Sema4's Expanded Carrier Screen for pregnancy planning
- Debuted on the Nasdaq Stock Market as a publicly traded company after completing a business combination with CM Life Sciences (Nasdaq: CMLF), a special purpose acquisition company (SPAC) sponsored by affiliates of Casdin Capital, LLC and Corvex Management LP

Fourth Quarter and Full Year Financial Results

Total revenue for the fourth quarter of 2021 was \$57.8 million compared to \$64.0 million in the fourth quarter of 2020. Total revenue for the full year of 2021 was \$212.2 million compared to \$179.3 million for the full year of 2020. Year over year revenue growth was driven primarily by an increase in testing volumes of both our Women's Health and Oncology product lines.

Cost of services was \$60.6 million in the fourth quarter of 2021 compared to \$69.6 million in the same period of 2020. The decrease was a result of lower volumes in our COVID-19 business and lower stock-based compensation expense, offset by increased headcount, investments in systems, and higher logistical and supply costs due to increased volumes in our non-COVID-19 business. We anticipate these new investments will enable us to support continued volume growth with significantly higher cost efficiencies over time. Cost of services was \$228.8 million for the full year of 2021 compared to \$175.3 million for the full year of 2020. The annual increase was driven by increased stock-based compensation expense, increased headcount, and an increase in logistical expenses as a result of our expanded operations.

Adjusted cost of services, which excludes stock-based compensation expense and other one-time COVID-19-related expense, was \$58.0 million for the fourth quarter of 2021 compared to \$43.5 million in the same period of 2020. Adjusted cost of services was \$206.2 million for the full year of 2021 compared to \$142.8 million for the full year of 2020.

Operating expenses for the fourth quarter of 2021 were \$113.0 million compared to operating expenses of \$119.4 million for the fourth quarter of 2020. The decrease in operating expenses was due in part to lower stock-based compensation expense, offset by higher personnel-related costs as we built out our laboratory operations and further invested in our health intelligence platform, as well as incremental public company expense. Operating expenses for the full year of 2021 were \$429.5 million compared to operating expenses of \$246.0 million for the full year of 2020.

Adjusted operating expenses, which excludes stock-based compensation, for the fourth quarter of 2021 were \$78.6 million compared to \$38.9 million in the same period of 2020. Adjusted operating expenses, which excludes stock-based compensation expense and non-recurring transaction expenses, for the full year of 2021 were \$227.2 million compared to \$138.7 million for the full year of 2020.

Net loss for the fourth quarter of 2021 was (\$40.2) million as compared to a net loss of (\$125.7) million for the same period in 2020. Fourth quarter of 2021 net loss included other income of \$76.2 million tied to the decrease in liabilities attributable to warrant and earn-out contingent liabilities recorded in connection with the merger with CM Life Sciences. Net loss for the full year of 2021 was (\$245.4) million compared to a net loss of (\$241.3) million for the full year of 2020.

Total cash and cash equivalents were \$400.6 million as of December 31, 2021. As of March 07, 2022, Sema4 had 244,959,781 outstanding shares of Class A common stock.

Fiscal Year 2022 Guidance

Sema4 expects fiscal year 2022 total revenue to be in the range of \$215 to \$225 million. Fiscal year 2022 resulted test volume growth is expected to exceed 20% when compared to resulted volume for the full year of 2021 (excluding COVID-19 tests). Fiscal year 2022

adjusted gross margin is expected to exceed 10%¹. The 2022 revenue, volume, and adjusted gross margin guidance excludes any contribution from the company's pending acquisition of GeneDx.

Webcast and Conference Call Details

Sema4 will host a conference call today, March 14, 2022, at 4:30 p.m. Eastern Time. Interested parties may access the live teleconference by dialing (844) 631-4065 for domestic callers or (929) 517-0920 for international callers, followed by conference ID: 3885425. A live and archived webcast of the event will be available on the "Events" section of the Sema4 investor relations website at <https://ir.sema4.com/>.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding our future performance and our market opportunity, including our full year 2022 revenue, volume and gross margin guidance, our expectations for our growth and future investment in our business, and our expectations for the proposed GeneDx acquisition, including the anticipated benefits of the acquisition and the anticipated timing of the acquisition. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) the ability to implement business plans, goals and forecasts, and identify and realize additional opportunities, (ii) the risk of downturns and a changing regulatory landscape in the highly competitive healthcare industry, (iii) the size and growth of the market in which we operate, and (iv) the risk that the GeneDx acquisition and the related private placement financing may not be completed in a timely manner or at all. The foregoing list of factors is not exhaustive. [You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2021, filed with the U.S. Securities and Exchange Commission (the "SEC") on November 15, 2021 and other documents filed by us from time to time with the SEC.]*[if this release follows 10-K filing, cross reference the 10-K instead]* These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

About Sema4

Sema4 is a patient-centered health intelligence company dedicated to advancing healthcare through data-driven insights. Sema4 is transforming healthcare by applying AI and machine learning to multidimensional, longitudinal clinical and genomic data to build dynamic models of human health and defining optimal, individualized health trajectories. Centrellis®, our innovative health intelligence platform, is enabling us to generate a more complete understanding of disease and wellness and to provide science-driven solutions to the most pressing medical needs. Sema4 believes that patients should be treated as partners, and that data should be shared for the benefit of all.

For more information, please visit sema4.com and connect with Sema4 on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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¹ See our Non-GAAP to GAAP reconciliation in the tables at the conclusion of this release

Sema4 Holdings Corp.
Condensed Statements of Operations and Comprehensive Loss
(In thousands, except share amounts)

	Three months ended December 31		Twelve months ended December 31	
	2021	2020 (Restated) (1)	2021	2020 (Restated) (1)
Revenue	(in thousands)		(in thousands)	
Diagnostic test revenue	56,127	61,592	205,100	175,351
Other revenue	1,674	2,365	7,095	3,971
Total revenue	57,801	63,957	212,195	179,322
Cost of services	60,607	69,631	228,797	175,296
Gross (loss) profit	(2,806)	(5,674)	(16,602)	4,026
Research and development	22,246	31,160	105,162	72,700
Selling and marketing	30,646	23,940	112,738	63,183
General and administrative	57,955	61,115	205,988	100,742
Related party expenses	2,127	3,156	5,659	9,395
Loss from operations	(115,780)	(125,045)	(446,149)	(241,994)
Total other income (expense), net	75,595	(638)	200,759	654
Loss before income taxes	(40,185)	(125,683)	(245,390)	(241,340)
Income tax provision	-	-	-	-
Net loss and comprehensive loss	(40,185)	(125,683)	(245,390)	(241,340)
Weighted average shares outstanding of Class A common stock for basic earnings	241,492,752	19,991	108,077,439	5,131
Basic net loss per share, Class A common stock	(0.17)	(6.287)	(2.27)	(47.036)

(1) Certain expenses were previously misclassified as cost of services. These expenses are now reported as selling and marketing. This adjustment has no impact on total revenue, loss from operations, net loss and comprehensive loss or net loss per share. Refer to Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements that is included in our 2021 10-K that will be filed on March 14, 2022 for further information.

Sema4 Holdings Corp.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31,	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 400,569	\$ 108,132
Accounts receivable, net	26,509	32,044
Due from related parties	54	289
Inventory, net	33,456	24,962
Prepaid expenses	19,154	4,557
Other current assets	3,802	4,124
Total current assets	483,544	174,108
Property and equipment, net	62,719	63,110
Restricted cash	900	10,828
Other assets	6,930	3,596
Total assets	\$ 554,093	\$ 251,642
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 44,693	\$ 26,737
Accrued expenses	20,108	11,854
Due to related parties	2,623	1,425
Current portion of capital lease obligations	3,419	3,506
Contract liabilities	473	1,783
Other current liabilities	29,968	28,137
Total current liabilities	101,284	73,442
Long-term debt, net of current portion	11,000	18,971
Stock-based compensation liabilities	—	131,989
Capital lease obligations, net of current portion	18,427	20,778
Other liabilities	3,480	2,074
Warrant liability	21,555	—
Earn-out contingent liability	10,244	—
Total liabilities	165,990	247,254
Commitments and contingencies (Note 9)		
Redeemable convertible preferred stock:		
Series A-1 redeemable convertible preferred stock, \$0.00001 par value: 0 and 55,399,943 shares authorized, issued and outstanding at December 31, 2021 and December 31, 2020, respectively; aggregate liquidation preference of \$0 and \$55,000 at December 31, 2021 and December 31, 2020, respectively	—	51,811
Series A-2 redeemable convertible preferred stock, \$0.00001 par value: 0 and 64,718,940 shares authorized at December 31, 2021 and December 31, 2020, respectively; 0 and 49,700,364 shares authorized, issued and outstanding at December 31, 2021 and December 31, 2020, respectively; aggregate liquidation preference of \$0 and \$49,542 at December 31, 2021 and December 31, 2020, respectively	—	46,480
Series B redeemable convertible preferred stock, \$0.00001 par value: 0 and 41,937,960 shares authorized, issued and outstanding at December 31, 2021 and December 31, 2020, respectively; aggregate liquidation preference of \$0 and \$204,302 at December 31, 2021 and December 31, 2020, respectively	—	118,824
Series C redeemable convertible preferred stock, \$0.00001 par value: 0 and 24,497,317 shares authorized at December 31, 2021 and December 31, 2020, respectively; 0 and 24,496,946 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively; aggregate liquidation preference of \$0 and \$121,397 at December 31, 2021 and December 31, 2020, respectively	—	117,324
Redeemable convertible preferred stock	—	334,439
Stockholders' equity (deficit):		

Preferred Stock, \$0.0001 par value: 1,000,000 and 0 shares authorized at December 31, 2021 and December 31, 2020, respectively; 0 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	—	—
Class A common stock, \$0.0001 par value: 380,000,000 shares authorized, 242,647,604 shares issued and outstanding at December 31, 2021 and \$0.00001 par value: 309,584,750 shares authorized, 124 shares issued and outstanding at December 31, 2020	24	—
Class B convertible common stock, \$0.00001 par value: 0 and 18,575,085 shares authorized at December 31, 2021 and December 31, 2020, respectively; 0 and 130,557 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively	—	—
Additional paid-in capital	963,520	—
Accumulated deficit	(575,441)	(330,051)
Total stockholders' equity (deficit)	<u>388,103</u>	<u>(330,051)</u>
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	<u>\$ 554,093</u>	<u>\$ 251,642</u>

Sema4 Holdings Corp.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2021	2020	2019
Operating activities			
Net loss	\$ (245,390)	\$ (241,340)	\$ (29,704)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	21,807	11,734	6,407
Stock-based compensation expense	219,421	120,231	5,482
Change in fair value of warrant and contingent liabilities	(198,401)	—	—
Provision for excess and obsolete inventory	2,129	—	—
Non-cash lease expense	1,555	2,400	(176)
Loss on extinguishment of debt	301	—	—
Amortization of debt issuance costs	66	—	—
Change in operating assets and liabilities:			
Accounts receivable	5,535	(10,611)	(4,567)
Inventory	(10,624)	(8,979)	(7,970)
Prepaid expenses and other current assets	(14,250)	2,498	(2,526)
Due to/from related parties	1,433	(442)	(919)
Other assets	(1,861)	1,175	(4,395)
Accounts payable and accrued expenses	25,916	14,805	12,847
Contract liabilities	(1,310)	(559)	2,342
Other current liabilities	3,239	15,960	4,451
Net cash used in operating activities	<u>(190,434)</u>	<u>(93,128)</u>	<u>(18,728)</u>
Investing activities			
Purchases of property and equipment	(9,400)	(24,094)	(11,923)
Development of internal-use software assets	(11,386)	(7,880)	(3,533)
Net cash used in investing activities	<u>(20,786)</u>	<u>(31,974)</u>	<u>(15,456)</u>
Financing activities			
Proceeds from issuance of Series B redeemable convertible preferred stock, net of issuance costs	—	—	118,824
Proceeds from issuance of Series C redeemable convertible preferred stock, net of issuance costs	—	117,324	—
Proceeds from PIPE issuance	350,000	—	—
Proceeds from equity infusion from the merger, net of redemptions	442,684	—	—
Legacy Sema4 Shareholder payout	(230,665)	—	—
Payment of transaction costs	(51,760)	—	—
Stock Appreciation Rights payout	(3,795)	—	—
Repayment of long-term debt	(8,741)	—	—
Exercise of stock options	1,271	—	—
Capital contributions from ISMMS	—	—	30,897
Proceeds from long-term debt	—	15,928	—
Long-term debt principal payments	(1,000)	(186)	—
Debt issuance costs	(537)	—	—
Capital lease principal payments	(3,728)	(4,010)	(1,709)
Net cash provided by financing activities	<u>493,729</u>	<u>129,056</u>	<u>148,012</u>
Net increase in cash, cash equivalents and restricted cash	282,509	3,954	113,828
Cash, cash equivalents and restricted cash, at beginning of year	118,960	115,006	1,178
Cash, cash equivalents and restricted cash, at end of year	<u>401,469</u>	<u>118,960</u>	<u>115,006</u>

Supplemental disclosures of cash flow information

Cash paid for interest	\$ 2,751	\$ 1,745	\$ 305
Cash paid for taxes	\$ 349	\$ —	\$ —
Purchases of property and equipment in accounts payable and accrued expenses	\$ 761	\$ 447	\$ 818
Software development costs in accounts payable and accrued expenses	\$ 1,149	\$ 1,473	\$ 1,040
Non-cash Series A redeemable convertible preferred stock dividends declared and paid	\$ —	\$ —	\$ 3,039
Debt issuance costs incurred but unpaid	\$ 1,000	\$ —	\$ —

The following is a reconciliation of revenue to our Adjusted Gross Profit and Adjusted Gross Margin for the three months ended December 31, 2021 and 2020:

	Three months ended December 31,	
	2021	2020 (Restated) (Note)
	(in thousands)	
Revenue	\$ 57,801	\$ 63,957
Cost of services	60,607	69,631
Gross (Loss) Profit	(2,806)	(5,674)
Gross Margin	(5)%	(9)%
Add:		
COVID-19 Costs ⁽¹⁾	—	16,391
Stock-based compensation expense	2,619	9,692
Adjusted Gross (Loss) Profit	\$ (187)	\$ 20,409
Adjusted Gross Margin	0%	32%

(1) Represents labor costs in respect laboratory employees' downtime. During the second quarter of 2020, we did not reduce the workforce in our laboratory due to the COVID-19 pandemic. However, we suffered significantly due to the decrease in volume in Women's Health and other products. Accordingly, we have adjusted our Gross Profit to reflect the management-assessed impact from the decrease in productivity of existing laboratory employees due to the COVID-19 pandemic in the second quarter of 2020.

The following is a reconciliation of our net loss to Adjusted EBITDA for the three months ended December 31, 2021 and 2020:

	Three months ended December 31,	
	2021	2020 (Restated) (Note)
	(in thousands)	
Net Income (loss)	\$ (40,185)	\$ (125,683)
Interest expense, net ⁽¹⁾	685	615
	5,795	
Depreciation and amortization		3,587
Stock-based compensation expense	36,967	90,158
Change in fair market value of warrant and earn-out contingent liabilities ⁽²⁾	(76,230)	—
Other (income) expense, net	(50)	(9)
Adjusted EBITDA	\$ (73,018)	\$ (31,332)

(1) Represents the total of Interest Expense related to our capital leases and interest-bearing loans and Interest Income on money market funds.

(2) For the three months ended December 31, 2021, represents the change in fair market value of the liabilities associated with our public warrants and private placement warrants and the earn-out shares issuable under the terms of the merger agreement for the business combination.

Note: Certain expenses were previously misclassified as cost of services. These expenses are now reported as selling and marketing. This adjustment has no impact on total revenue, loss from operations, net loss and comprehensive loss or net loss per share. Refer to Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements that is included in our 2021 10-K that will be filed on March 14, 2022 for further information.



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Q4 2021 Earnings Presentation

March 2022

Disclaimer

This presentation contains forward-looking statements under the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, for example, contain wording such as "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue," "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements contained in this presentation include, but are not limited to, statements about: our full year 2022 revenue, volume and gross margin guidance, our expectations with respect to our pending acquisition (the "Acquisition") of GeneDx Inc. ("GeneDx"), our estimates of our volumes and revenue for the fourth quarter and full year of fiscal year 2021, our addressable market, market growth, future revenue, key performance indicators, expenses, capital requirements and our needs for additional financing, our commercial launch plans, our strategic plans for our business and products, market acceptance of our products, and our competitive position and developments and projections relating to our competitors. We cannot assure that the forward-looking statements in this presentation will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements.

The forward-looking statements and opinions contained in this presentation are based on our management's beliefs and assumptions and are based upon information currently available to our management as of the date of this presentation and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) the ability to implement business plans, goals and forecasts, and identify and realize additional opportunities, (ii) the risk of downturns and a changing regulatory landscape in the highly competitive healthcare industry, (iii) the size and growth of the market in which we operate, and (iv) the risk that the Acquisition of GeneDx and the related private placement financing may not be completed in a timely manner or at all. The information, opinions and forward-looking statements contained in this announcement speak only as of its date, and are subject to change without notice.

Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures, including Adjusted EBITDA, Adjusted Gross Profit and Adjusted Gross Margin. Adjusted EBITDA is defined as net loss adjusted for interest expense, net, depreciation and amortization, stock-based compensation expenses, transaction costs, other (income) expense, net and COVID-19 costs. Management believes that these non-GAAP measures of financial results are useful in evaluating the Sem4's operating performance compared to that of other companies in its industry, as this metric generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance. Please refer to the Appendix for Non-GAAP to GAAP Reconciliation.

This presentation contains estimates, projections and other information concerning our industry, our business, and the markets for our products and services. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. While we believe our internal company research as to such matters is reliable and the market definitions are appropriate, neither such research nor these definitions have been verified by any independent source.

We discuss these and other risks and uncertainties in greater detail in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our periodic reports and other filings we make with the SEC from time to time. Given these uncertainties, you should not place undue reliance on the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations. We file reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information concerning us is available at <http://www.sec.gov>. Requests for copies of such documents should be directed to our Investor Relations department at Sem4 Holdings Corp., 333 Ludlow Street, North Tower, 8th Floor, Stamford, CT 06902. Our telephone number is 800-298-6470.

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Recent Business Highlights



4Q 2021¹ revenue growth of 24%²



4Q 2021 resulted volume growth of 37%²



Signed definitive agreement to acquire GeneDx



Entered into an agreement for a \$200 million private placement from leading investors, including Pfizer³



Initiated FY2022 revenue guidance of \$215 – 225 million, which implies growth of 25% at the midpoint²

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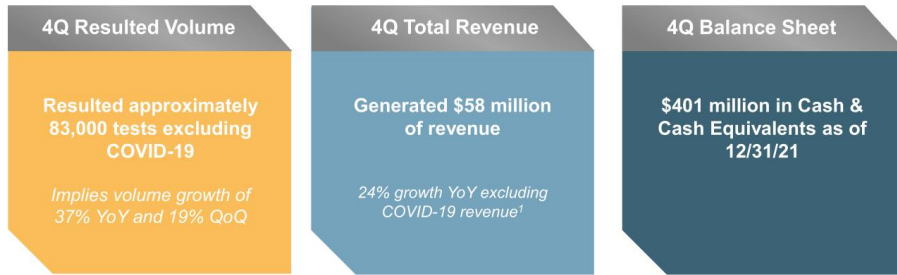
¹ 3 months ended 12/31/21

² Excluding COVID-19 testing revenue

³ PIPE (Private Investment in Public Equity) is contingent on the closing of the GeneDx acquisition

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Strong Close to FY2021



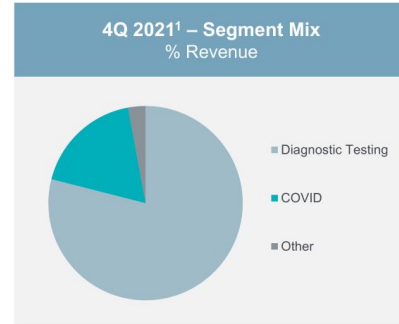
¹ 4Q21 Revenue excluding COVID-19 was \$47.3 million

Traction with Health Systems Remains Robust

Founder Health System Consortium	<ul style="list-style-type: none">• Held 1st Founder Health System Consortium• Network is building a combined point of view that will help the industry understand the power of shared data• Meetings will be held quarterly
NorthShore	<ul style="list-style-type: none">• Continuing to scale population health screening program• Ran over 1,800 hereditary cancer screening tests for patients since the program's launch• Leveraging insights to create new algorithms and care pathways to implement at NorthShore
Avera	<ul style="list-style-type: none">• Launched ASAP (Avera Health/Sema4 Oncology and Analytics Protocol)• Curated the initial clinical data set combining it with the genomic findings and creating initial clinical quality dashboards

Q4 GAAP Financial Highlights

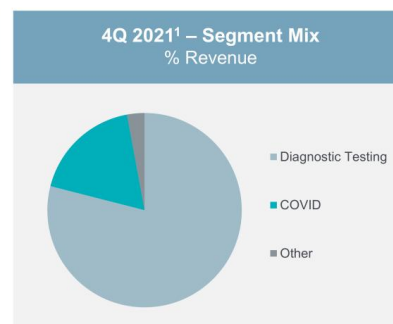
4Q 2021 ¹ – Financial Highlights USD Millions		
	4Q 2020	4Q 2021
Total Revenue	\$64.0	\$57.8
Revenue (ex-COVID)	\$38.2	\$47.3
Gross (Loss) Profit	(\$5.7)	(\$2.8)
Gross Margin	(9%)	(5%)
GAAP Net (Loss)	(\$125.7)	(\$40.2)



¹ 3 months ended 12/31/21. Certain expenses were previously misclassified as cost of services. These expenses are now reported as selling and marketing. This adjustment has no impact on total revenue, loss from operations, net loss and comprehensive loss or net loss per share. Refer to Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements that is included in our 2021 10-K that will be filed on March 14, 2022 for further information.

Q4 Non-GAAP Financial Highlights

4Q 2021 ¹ – Financial Highlights USD Millions		
	4Q 2020	4Q 2021
Total Adjusted EBITDA²	(\$31.3)	(\$73.0)
Adjusted Gross Profit (Loss)³	\$20.4	(\$0.2)
Adjusted Gross Margin⁴	32%	0%



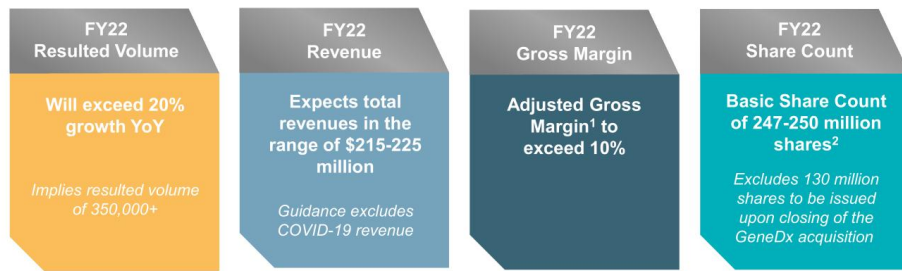
¹ 3 months ended 12/31/21

² Adjusted EBITDA is a non-GAAP financial measure that we define as net loss adjusted for interest expense, net, depreciation and amortization, stock-based compensation expenses, other (income) expense, net and COVID-19 costs. Refer to Appendix for non-GAAP Reconciliation

³ Adjusted Gross Profit (Loss) is a non-GAAP measure within cost of services. Refer to Appendix for non-GAAP Reconciliation

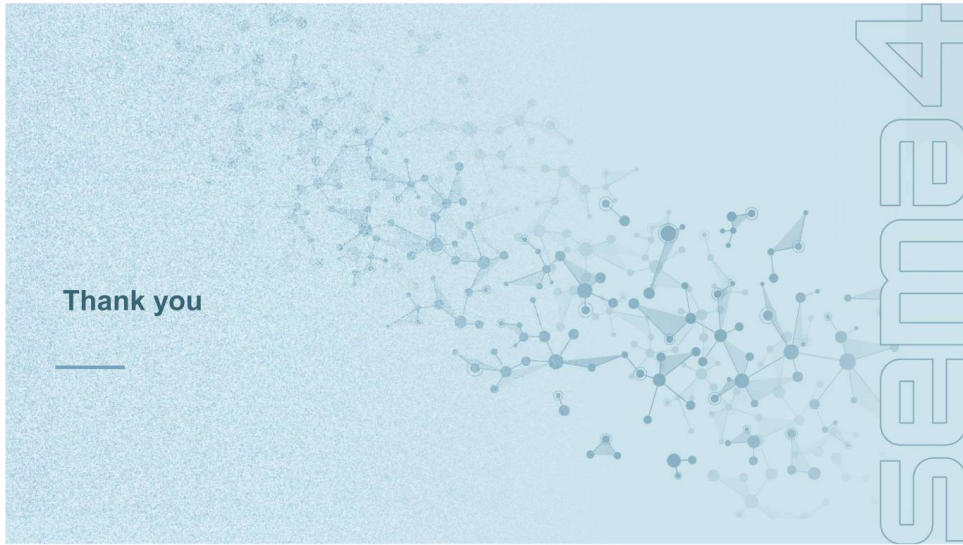
⁴ Adjusted Gross Margin is a non-GAAP measure within cost of services. Refer to Appendix for non-GAAP Reconciliation

FY2022 Guidance (excludes impact of pending GeneDx acquisition)



¹ Adjusted Gross Margin is a non-GAAP measure within cost of services. Refer to Appendix for non-GAAP Reconciliation

² We did not assume any additional shares that may be issued as a result of exercise of stock options, warrants or vesting of earn-out shares or RSUs upon achieving the market condition throughout the year.



Thank you

Semester 4





Historical COVID Revenue Mix

% of Total Revenue¹

	1Q20	2Q20	3Q20	FY20	1Q21	2Q21	3Q21	4Q21
Diagnostic Test	99%	93%	84%	79%	73%	87%	86%	79%
COVID	0%	6%	14%	18%	25%	8%	10%	18%
Other	1%	1%	2%	2%	2%	4%	4%	3%

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¹ Certain periods do not add to 100% due to rounding

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Non-GAAP Gross Margin Reconciliation

USD in thousands

	FY2020 (Restated ⁽¹⁾)					FY2021 (Restated ⁽¹⁾)				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Revenue	46,655	30,102	38,608	63,957	179,322	64,201	47,015	43,178	57,801	212,195
Cost of Service	37,138	34,505	34,022	69,631	175,296	68,524	48,179	51,487	60,607	228,797
Gross (Loss) Profit	9,517	(4,403)	4,586	(5,674)	4,026	(4,323)	(1,164)	(8,309)	(2,806)	(16,602)
Gross Margin	20%	(15%)	12%	(9%)	2%	(7%)	(2%)	(19%)	(5%)	(8%)
Stock-based compensation	23	(29)	3,256	9,692	12,942	18,475	(306)	1,779	2,619	22,567
COVID-19 costs ⁽²⁾	-	3,179	-	-	3,179	-	-	-	-	-
Other ⁽³⁾	-	-	-	16,391	16,391	-	-	-	-	-
Adjusted Gross (Loss) Profit	9,540	(1,253)	7,842	20,409	36,538	14,152	(1,470)	(6,530)	(187)	5,965
Adjusted Gross Margin	20%	(4%)	20%	32%	20%	22%	(3%)	(15%)	(0%)	3%

(1) Represents labor costs in respect laboratory employees' downtime. During the second quarter of 2020, we did not reduce the workforce in our laboratory due to the COVID-19 pandemic. However, we suffered significantly due to the decrease in volume in Women's Health and other products. Accordingly, we have adjusted our Gross Profit to reflect the management-assessed impact from the decrease in productivity of existing laboratory employees due to the COVID-19 pandemic in the second quarter of 2020.

(2) Represents labor costs in respect of laboratory employees' time spent to support our laboratory move from New York City to Stamford, Connecticut in 2020. During the move, our laboratory employees dedicated their time to re-validating and re-establishing instruments and equipment, rebuilding interface, obtaining a CLIA license, and other tasks to make sure the move was done correctly. For GAAP purposes we included these activities in Cost of Services. However, as the laboratory move and effort spent by our employees are one-time activities, we adjusted our Gross Profit to reflect management's view of our normal operations.

(3) Certain expenses were previously misclassified as cost of services. These expenses are now reported as selling and marketing. This adjustment has no impact on total revenue, loss from operations, net loss and comprehensive loss or net loss per share. Refer to Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements that is included in our 2021 10-K that will be filed on March 14, 2022 for further information.

Non-GAAP EBITDA Reconciliation

USD in thousands

	FY2020 (Restated)					FY2021 (Restated)				
	1Q	2Q	3Q	4Q	FF	1Q	2Q	3Q	4Q	FF
Net Profit (Loss)	(26,990)	(32,052)	(56,615)	(125,683)	(241,340)	(191,775)	(46,161)	32,731	(40,185)	(245,390)
Interest expense, net ⁽¹⁾	240	539	574	615	1,968	702	713	656	685	2,756
Depreciation and amortization	2,388	2,682	3,067	3,587	11,734	4,902	5,619	5,491	5,795	21,807
Stock-based compensation expense	815	(195)	29,453	90,158	120,231	164,962	(519)	18,011	36,967	219,421
Transaction costs ⁽²⁾	-	-	-	-	-	1,954	3,151	391	-	5,496
Change in fair market value of warrant and earn-out contingent liabilities ⁽³⁾	-	-	-	-	-	-	-	(122,171)	(76,230)	(198,401)
Other (income) expense, net ⁽⁴⁾	(22)	(2,617)	26	(9)	(2,622)	(5,584)	-	343	(50)	(5,291)
COVID-19 costs ⁽⁵⁾	-	3,179	-	-	3,179	-	-	-	-	-
Adjusted EBITDA	(23,559)	(28,464)	(23,495)	(31,332)	(106,850)	(24,839)	(37,197)	(64,548)	(73,018)	(199,602)

(1) Represents the total of interest expense related to our capital leases and interest-bearing loans and interest income on money market funds.

(2) Represents professional service costs incurred in connection with pursuing the business combination transaction that did not meet the requirement for capitalization.

(3) For the year ended December 31, 2021, represents the change in fair market value of the liabilities associated with our public warrants, private placement warrants and the earn-out shares issuable under the terms of the merger agreement for our business combination.

(4) For fiscal year 2020 and 2021, primarily consists of funding received under the CARES Act Provider Relief Fund.

(5) Represents labor costs in respect laboratory employees' downtime. During the second quarter of 2020, we did not reduce the workforce in our laboratory due to the COVID-19 pandemic. However, we suffered significantly due to the decrease in volume in Women's Health and other products. Accordingly, we have adjusted our Gross Profit to reflect the management-assessed impact from the decrease in productivity of existing laboratory employees due to the COVID-19 pandemic in the second quarter of 2020.

(6) Certain expenses were previously misclassified as cost of services. These expenses are now reported as selling and marketing. This adjustment has no impact on total revenue, loss from operations, net loss and comprehensive loss or net loss per share. Refer to Note 2, "Summary of Significant Accounting Policies" to our consolidated financial statements that is included in our 2021 10-K that will be filed on March 14, 2022 for further information.

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