UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2024
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: 001-34180

STANDARD BIOTOOLS INC.

(Exact name of registrant as specified in its charter)

Delaware	**77-0513190**
State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification No.
2 Tower Place, Suite 2000 **South San Francisco, CA**	**94080**
Address of principal executive offices	Zip Code

Registrant's telephone number, including area code: **(650) 266-6000**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	**LAB**	**The Nasdaq Global Select Market**

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

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

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

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

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

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

As of August 2, 2024, there were 371,154,471 shares of the registrant's common stock, $0.001 par value per share, outstanding.

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements include information concerning our possible or assumed future cash flow, revenue, sources of revenue and results of operations, cost of product revenue and product margin, operating and other expenses, unit sales and the selling prices of our products, business strategies, financing plans, expansion of our business, investments to expand our customer base, plans for our products, competitive position, industry environment, potential growth opportunities, market growth expectations, the effects of competition, cost structure optimization, acceleration of growth, potential merger and acquisition activity and restructuring plans (including expense reduction activities involving potential subleasing, talent relocation plans and severance obligations, modifications to the scope of our proteomic and genomics businesses and discontinuing of certain product lines) and our expectations regarding the benefits and integration of acquired businesses and/or products (including in connection with our merger with SomaLogic, Inc. in January 2024 (the "Merger")). Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts, "projects," "should," "will," "would," or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. We discuss these risks in greater detail in the "Risk Factors" section our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on March 1, 2024. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Forward-looking statements represent our management's beliefs and assumptions only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. You should read this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect.

STANDARD BIOTOOLS INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

STANDARD BIOTOOLS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 269,811	$ 51,704
Short-term investments	124,902	63,191
Accounts receivable, net	32,441	19,660
Inventory	42,618	20,533
Prepaid expenses and other current assets	10,257	3,127
Total current assets	480,029	158,215
Inventory, non-current	16,252	—
Royalty receivable, non-current	3,738	—
Property and equipment, net	42,569	24,187
Operating lease right-of-use asset, net	31,531	30,663
Other non-current assets	4,282	2,285
Acquired intangible assets, net	24,078	1,400
Goodwill	106,253	106,317
Total assets	$ 708,732	$ 323,067
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 12,570	$ 9,236
Accrued liabilities	31,929	21,019
Operating lease liabilities, current	5,851	4,323
Deferred revenue, current	15,113	11,607
Deferred grant income, current	3,562	3,612
Term loan, current	—	5,000
Convertible notes, current	54,783	54,530
Total current liabilities	123,808	109,327
Convertible notes, non-current	299	569
Term loan, non-current	—	3,414
Deferred tax liability	841	841
Operating lease liabilities, non-current	29,617	30,374
Deferred revenue, non-current	33,395	3,520
Deferred grant income, non-current	8,995	10,755
Other non-current liabilities	1,516	1,065
Total liabilities	198,471	159,865
Commitments and contingencies (Note 8)		
Mezzanine equity:		
Redeemable preferred stock: $0.001 par value; zero and 256 shares authorized and issued and outstanding at June 30, 2024 and December 31, 2023, respectively; aggregate liquidation preference of zero and $255,559 at June 30, 2024 and December 31, 2023, respectively	—	311,253
Stockholders' equity (deficit):		
Preferred stock: $0.001 par value, 10,000 and 9,744 shares authorized at June 30, 2024 and December 31, 2023, respectively; no shares issued and outstanding at June 30, 2024 and December 31, 2023	—	—
Common stock: $0.001 par value, 600,000 shares authorized at June 30, 2024 and 400,000 shares authorized at December 31, 2023; 389,703 and 83,364 shares issued at June 30, 2024 and December 31, 2023, respectively; 371,123 and 80,232 shares outstanding at June 30, 2024 and December 31, 2023, respectively	389	83
Additional paid-in capital	1,682,480	860,816
Accumulated other comprehensive loss	(1,500)	(2,221)
Accumulated deficit	(1,124,641)	(1,000,752)
Treasury stock at cost: 18,580 and 3,132 shares at June 30, 2024 and December 31, 2023, respectively	(46,467)	(5,977)
Total stockholders' equity (deficit)	510,261	(148,051)
Total liabilities, mezzanine equity and stockholders' equity (deficit)	$ 708,732	$ 323,067

See accompanying notes

STANDARD BIOTOOLS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Product revenue	$ 22,163	$ 21,665	$ 45,755	$ 39,103
Services revenue	14,053	5,821	35,080	12,702
Collaboration and other revenue	989	180	1,910	980
Total revenue	37,205	27,666	82,745	52,785
Cost of revenue:				
Cost of product revenue	12,202	11,883	24,983	21,873
Cost of services revenue	10,070	2,181	18,579	4,973
Cost of collaboration and other revenue	25	—	87	56
Total cost of revenue	22,297	14,064	43,649	26,902
Gross profit	14,908	13,602	39,096	25,883
Operating expenses:				
Research and development	19,222	6,184	35,202	12,613
Selling, general and administrative	37,674	22,600	84,617	43,895
Restructuring and related charges	5,749	2,267	10,033	3,417
Transaction and integration expenses	2,782	—	19,945	—
Total operating expenses	65,427	31,051	149,797	59,925
Loss from operations	(50,519)	(17,449)	(110,701)	(34,042)
Bargain purchase gain	—	—	25,213	—
Interest income, net	4,444	244	9,618	316
Other income (expense), net	412	466	(1,822)	407
Loss before income taxes	(45,663)	(16,739)	(77,692)	(33,319)
Income tax benefit (expense)	(55)	(301)	(183)	(564)
Net loss	$ (45,718)	$ (17,040)	$ (77,875)	$ (33,883)
Induced conversion of redeemable preferred stock	—	—	(46,014)	—
Net loss attributable to common stockholders	$ (45,718)	$ (17,040)	$ (123,889)	$ (33,883)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.12)	$ (0.22)	$ (0.37)	$ (0.43)
Shares used in computing net loss per share attributable to common stockholders, basic and diluted	372,331	78,669	333,228	78,873

See accompanying notes

STANDARD BIOTOOLS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	$ (45,718)	$ (17,040)	$ (77,875)	$ (33,883)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	308	(327)	844	(157)
Net change in unrealized gain (loss) on investments	(16)	104	(123)	502
Other comprehensive income (loss), net of tax	292	(223)	721	345
Comprehensive loss	$ (45,426)	$ (17,263)	$ (77,154)	$ (33,538)

See accompanying notes

STANDARD BIOTOOLS INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-in	Accum. Other	Accum.	Treasury Stock		Total Stockholders' Equity
	Shares	Amount	Capital	Comp. Loss	Deficit	Shares	Amount	(Deficit)
Balance as of December 31, 2023	83,364	$ 83	$ 860,816	$ (2,221)	$ (1,000,752)	(3,132)	$ (5,977)	$ (148,051)
Conversion of redeemable preferred stock	92,931	93	357,174	—	(46,014)	—	—	311,253
Issuance of restricted stock, net of shares withheld for taxes, and other	1,733	2	(20)	—	—	—	—	(18)
Exercise of stock options	47	—	72	—	—	—	—	72
Stock-based compensation expense	—	—	11,611	—	—	—	—	11,611
Repurchase of common stock	—	—	—	—	—	(4,119)	(11,051)	(11,051)
Common stock relinquished in litigation settlement	—	—	1,009	—	—	—	—	1,009
Merger consideration (1)	209,577	209	444,010	—	—	—	—	444,219
Net loss	—	—	—	—	(32,157)	—	—	(32,157)
Other comprehensive income, net of tax	—	—	—	429	—	—	—	429
Balance as of March 31, 2024	387,652	387	1,674,672	(1,792)	(1,078,923)	(7,251)	(17,028)	577,316
Issuance of restricted stock, net of shares withheld for taxes, and other	1,384	1	(327)	—	—	—	—	(326)
Issuance of common stock under ESPP	202	—	425	—	—	—	—	425
Exercise of stock options	465	1	980	—	—	—	—	981
Stock-based compensation expense	—	—	6,730	—	—	—	—	6,730
Repurchase of common stock	—	—	—	—	—	(11,329)	(29,439)	(29,439)
Net loss	—	—	—	—	(45,718)	—	—	(45,718)
Other comprehensive loss net of tax	—	—	—	292	—	—	—	292
Balance as of June 30, 2024	389,703	389	1,682,480	(1,500)	(1,124,641)	(18,580)	(46,467)	510,261

(1) Merger consideration included 26,367 shares of common stock that were issued to a related party. See Note 17, *Related Parties*.

	Common Stock		Additional Paid-in	Accum. Other	Accum.	Treasury Stock		Total Stockholders' Equity
	Shares	Amount	Capital	Comp. Loss	Deficit	Shares	Amount	(Deficit)
Balance as of December 31, 2022	79,904	$ 80	$ 847,008	$ (1,896)	$ (926,096)	(422)	$ (563)	$ (81,467)
Issuance of restricted stock, net of shares withheld for taxes, and other	420	—	(93)	—	—	—	—	(93)
Stock-based compensation expense	—	—	3,148	—	—	—	—	3,148
Repurchase of common stock	—	—	—	—	—	(1,250)	(2,466)	(2,466)
Net loss	—	—	—	—	(16,843)	—	—	(16,843)
Other comprehensive income, net of tax	—	—	—	568	—	—	—	568
Balance as of March 31, 2023	80,324	$ 80	$ 850,063	$ (1,328)	$ (942,939)	(1,672)	$ (3,029)	$ (97,153)
Issuance of restricted stock, net of shares withheld for taxes, and other	1,410	1	(37)	—	—	—	—	(36)
Issuance of common stock under ESPP	268	—	326	—	—	—	—	326
Stock-based compensation expense	—	—	3,114	—	—	—	—	3,114
Repurchase of common stock	—	—	—	—	—	(1,209)	(2,375)	(2,375)
Net loss	—	—	—	—	(17,040)	—	—	(17,040)
Other comprehensive loss, net of tax	—	—	—	(223)	—	—	—	(223)
Balance as of June 30, 2023	82,002	$ 81	$ 853,466	$ (1,551)	$ (959,979)	(2,881)	$ (5,404)	$ (113,387)

See accompanying notes

STANDARD BIOTOOLS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Operating activities		
Net loss	$ (77,875)	$ (33,883)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bargain purchase gain	(25,213)	—
Stock-based compensation expense	18,341	6,262
Amortization of acquired intangible assets	2,822	5,600
Depreciation and amortization	6,228	1,688
Accretion of discount on short-term investments, net	(4,544)	(151)
Non-cash lease expense	2,949	1,902
Provision for excess and obsolete inventory	1,874	572
Change in fair value of warrants	(453)	—
Other non-cash items	868	327
Changes in assets and liabilities:		
Accounts receivable, net	5,012	2,238
Inventory	(12,777)	(1,939)
Prepaid expenses and other assets	(3,291)	426
Accounts payable	(10,694)	(1,774)
Accrued liabilities	3,860	659
Deferred revenue	(1,207)	937
Operating lease liabilities	(2,984)	(1,836)
Other liabilities	(4,442)	1,158
Net cash used in operating activities	(101,526)	(17,814)
Investing activities		
Cash and restricted cash acquired in Merger	280,033	—
Purchases of short-term investments	(147,984)	(6,836)
Proceeds from sales and maturities of investments	239,000	91,964
Purchases of property and equipment	(2,718)	(1,848)
Net cash provided by investing activities	368,331	83,280
Financing activities		
Repayment of term loan and convertible notes	(8,192)	—
Payment of term loan fee	(545)	—
Repurchase of common stock	(40,490)	(4,841)
Proceeds from ESPP stock issuance	425	326
Payments for taxes related to net share settlement of equity awards and other	(344)	(127)
Proceeds from exercise of stock options	1,052	—
Net cash used in financing activities	(48,094)	(4,642)
Effect of foreign exchange rate fluctuations on cash and cash equivalents	(110)	(49)
Net increase in cash, cash equivalents and restricted cash	218,601	60,775
Cash, cash equivalents and restricted cash at beginning of period	52,499	82,324
Cash, cash equivalents and restricted cash at end of period	$ 271,100	$ 143,099
Supplemental disclosures of cash flow information		
Equity consideration transferred in connection with Merger (1)	$ 444,219	$ —
Cash paid for interest	1,640	1,919
Cash paid for income taxes, net of refunds	347	512
Non-cash right-of-use assets and lease liabilities	91	211
Asset retirement obligations	$ 761	$ 740

(1) Equity consideration transferred in connection with the Merger included 26,367 shares of common stock that were issued to a related party. See Note 17, *Related Parties*.

See accompanying notes

1. Basis of Presentation and Summary of Significant Accounting Policies

Description of the Business

Standard BioTools Inc. ("Standard BioTools" or the "Company") is a Delaware corporation headquartered in South San Francisco, California. The Company has an established portfolio of essential, standardized next-generation technologies that help biomedical researchers develop medicines faster and better. As a leading solutions provider, the Company endeavors to provide reliable and repeatable insights in health and disease using its proprietary mass cytometry and microfluidics technologies that help transform scientific discoveries into better patient outcomes. Standard BioTools works with leading academic, government, pharmaceutical, biotechnology, plant and animal research and clinical laboratories worldwide, focusing on the most pressing needs in translational and clinical research, including oncology, immunology and immunotherapy.

On January 5, 2024 (the "Closing Date"), the Company completed the previously announced merger (the "Merger") with SomaLogic, Inc. ("SomaLogic"). As a result, SomaLogic and its subsidiaries became wholly owned subsidiaries of Standard BioTools. Upon completion of the Merger, each share of SomaLogic common stock, par value $0.0001 per share (the "SomaLogic Common Stock"), was exchanged for 1.11 shares of the Company's common stock, par value $0.001 per share (see Note 2, *Business Combination*). Utilizing the SomaLogic proteomics platform, the Company now enables researchers to analyze various types of biological samples for protein biomarker signatures, which can be utilized in drug discovery and development.

Basis of Presentation

The unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and applicable rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") regarding financial reporting. All intercompany transactions and balances have been eliminated in consolidation. These interim condensed consolidated financial statements and related disclosures are unaudited and have been prepared on the same basis as the annual financial statements. In the opinion of management, the accompanying financial statements contain all adjustments of a normal and recurring nature, necessary for a fair statement of the Company's financial position as of June 30, 2024, results of operations for the three and six months ended June 30, 2024 and 2023, and cash flows for the six months ended June 30, 2024 and 2023. The condensed consolidated balance sheet at December 31, 2023 was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements. Certain prior period amounts have been reclassified to conform to the current period presentation.

Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2023 ("2023 Financial Statements") included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on March 1, 2024.

Interim results are not necessarily indicative of the results to be expected for the full year ending December 31, 2024.

Use of Estimates

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

Significant estimates and assumptions which form the basis of amounts reported in the condensed consolidated financial statements include, but are not limited to, the identification of performance obligations in contracts with customers; standalone selling prices of the Company's performance obligations; timing of revenue recognition; fair value measurements; net realizable value of inventory; income taxes; and the fair value of intangible assets acquired in business combinations. The Company bases its estimates on current facts and circumstances, historical experience, forecasted results, and various other assumptions that it believes to be reasonable. The Company obtains reports from third-party valuation experts to inform and support estimates related to certain fair value measurements.

Restructuring and Related Charges

Restructuring and related charges include employee separation costs, contract termination costs, and other costs associated with implementing restructuring plans. Employee separation costs principally consist of one-time termination benefits and contractual termination benefits for severance, other termination benefit costs, and stock-based compensation expense for the acceleration of equity awards.

The Company records restructuring charges based on whether the termination benefits are provided under an ongoing benefit arrangement or under a one-time benefit arrangement. The Company accounts for ongoing benefit arrangements, such as those documented by employment agreements, in accordance with ASC 712, *Compensation - Nonretirement Postemployment Benefits* ("ASC 712"). Under ASC 712, liabilities for post-employment benefits are recorded at the time the obligations are probable of being incurred and can be reasonably estimated. The Company accounts for one-time employment benefit arrangements in accordance with ASC 420, *Exit or Disposal Cost Obligations*. One-time termination benefits expenses are recorded at the date the entity notifies the employee, unless the employee must provide future service, in which case the benefits are expensed ratably over the future service period. Other associated costs are recognized in the period in which the liability is incurred.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly.

Level 3 - Unobservable inputs that reflect the Company’s own assumptions incorporated into valuation techniques. These valuations require significant judgment.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. When there is more than one input at different levels within the hierarchy, the fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of a particular input to the fair value measurement in its entirety requires substantial judgment and consideration of factors specific to the asset or liability. Level 3 inputs are inherently difficult to estimate. Changes to these inputs can have significant impact on fair value measurements.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting in accordance with ASC 805, *Business Combinations* ("ASC 805"). Application of this method of accounting requires that (i) identifiable assets acquired (including identifiable intangible assets) and liabilities assumed generally be measured and recognized at fair value as of the acquisition date and (ii) the excess of the purchase price over the net fair value of identifiable assets acquired and liabilities assumed be recognized as goodwill. When the fair value of net assets acquired and liabilities assumed exceeds the purchase price, the Company records a gain on bargain purchase in earnings in the period of acquisition. Determining the fair value of assets acquired and liabilities assumed in a business combination requires management to use significant judgment and estimates, especially with respect to intangible assets. Transaction costs, including legal, accounting, and integration expenses, are expensed as incurred and are included in operating expenses in the Company's condensed consolidated statements of operations.

Software Development Costs

Internal-Use Software

The Company capitalizes certain internal and external costs related to the acquisition and development of internal-use software or cloud computing arrangements during the application development stages of projects. The costs incurred for development of software intended for internal use and cloud computing arrangements are capitalized in accordance with authoritative accounting guidance. These costs are included in property and equipment, net of accumulated depreciation and amortization in the condensed consolidated balance sheets.

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

Software Developed for Sale

The costs incurred for the development of computer software to be sold, leased, or otherwise marketed are capitalized in accordance with authoritative accounting guidance, when technological feasibility has been established. Technological feasibility generally occurs when all planning, design, coding and testing activities are completed that are necessary to establish that the product can be produced to meet its design specifications, including functions, features and technical performance requirements. The establishment of technological feasibility is an ongoing assessment of judgment by management with respect to certain external factors, including, but not limited to, anticipated future revenues, estimated economic life and changes in technology.

Capitalized software costs include direct labor and related expenses for software development for new products. Capitalized software costs are included in other long-term assets in the condensed consolidated balance sheets. Amortization of capitalized software development costs begins when the product is available for general release. Amortization is provided on a product-by-product basis using the straight-line method over periods of three years. Unamortized capitalized software development costs determined to be in excess of the net realizable value of the product are expensed immediately. Capitalized software costs are subject to an ongoing assessment of recoverability based on anticipated future revenues and changes in software technologies at each balance sheet date. In the event of impairment, unamortized capitalized software costs are compared to the net realizable value of the related product and the carrying value of the related assets are written down to the net realizable value to the extent the unamortized capitalized costs exceed such value. The net realizable value is the estimated future gross revenues from the related product reduced by the estimated future costs of completing and disposing of such product, including the costs of providing related maintenance and customer support.

Revenue Recognition

Revenues are recognized when the Company's customers obtain control of promised goods or services, in an amount that reflects the consideration the Company expects to receive in exchange for the products or services (the "transaction price"). Sales, value add, and other taxes collected concurrent with revenue-producing activities are excluded from revenue.

The Company's contracts with customers typically include multiple distinct products and services, and the Company allocates transaction price to these performance obligations based on their relative standalone selling prices ("SSP"). The SSP is determined at contract inception and is not updated to reflect changes between contract inception and when the performance obligations are satisfied. SSPs are generally determined using observable data from recent transactions. In cases where sufficient data is not available, the Company estimates a product’s SSP using a cost plus a margin approach.

Payment terms may vary by customer, are based on customary commercial terms, and are generally less than one year. The Company does not adjust revenue for the effects of a significant financing component for contracts where the period between the transfer of the good or service and collection is one year or less. The Company expenses incremental costs to obtain a contract when incurred since the amortization period of the asset that would otherwise be recognized is one year or less.

Product Revenue

The Company generates product revenue from the sale of instruments and consumables, including Integrated Fluidic Circuits and reagents. The Company generally recognizes product revenue at the point in time when control of the goods passes to the customer, and the Company has an enforceable right to payment. This generally occurs either when the product is shipped from one of the Company's facilities or when it arrives at the customer’s facility, based on the contractual terms. Customers do not have a unilateral right to return products after delivery. Invoices are generally issued at shipment or in advance of service and become due in 30 to 60 days.

Revenue from the sales of certain instruments that involve significant customization, which primarily includes sales of the SomaScan® equipment bundle, is recognized over time as the Company's performance creates an asset that the customer simultaneously controls (the instrument installation and customization occurs at the customer site). Revenue is recognized based on the progress made toward achieving the performance obligation utilizing an input method of costs incurred relative to total estimated costs.

The Company sometimes perform shipping and handling activities after control of the product passes to the customer. The Company has made an accounting policy election to account for these activities as product fulfillment activities rather than as separate performance obligations.

Services Revenue

The Company generates services revenue primarily from the sale of SomaScan® services. Assay services revenue is generated by performing the SomaScan® assay on customer samples to generate data on protein biomarkers. Assay services revenue is recognized

at a point in time when the analysis data or report is delivered to the customer. SomaScan® services are sold at a fixed price per sample without any volume discounts, rebates, or refunds. The delivery of each assay data report is a separate performance obligation.

The Company also generates services revenue from repairs, maintenance, installation, training, and other specialized product support services. Revenue is recognized at the point in time the work is completed. Installation and training services are generally billed in advance of service. Repairs and other services are generally billed at the point the work is completed.

Service revenues also includes revenue from instrument service and support contracts. Revenue associated with these arrangements is recognized over time using a time-elapsed measure of progress, resulting in straight-line revenue recognition over the term of the agreement, which is generally one to four years. The Company measures progress using a time-elapsed measure of progress as the Company stands ready to provide service on demand throughout the term of the agreement. Invoices are generally issued in advance of service on a monthly, quarterly, annual or multi-year basis. Payments collected in advance of service are reported on the Company's condensed consolidated balance sheets as deferred revenue.

Collaboration and Other Revenue

From time to time the Company enters into collaboration arrangements in which both parties are active participants in the arrangement and are exposed to the significant risks and rewards of the collaboration, in which case the collaboration is within the scope of ASC 808, *Collaborative Arrangements*. With such collaborations, the Company determines if any obligations are an output of the Company's ordinary activities in exchange for consideration, and if so, the Company applies ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), to such activities.

For other payments received from collaborative partners for other collaboration activities, which primarily include research and development activities, the Company analogizes to ASC 606. Revenue from such activities is recognized as the Company satisfies its obligations.

Other revenue consists of license and royalty revenue and grant revenue. The Company recognizes revenue from license agreements when the license is transferred to the customer and the customer is able to use and benefit from the license. For contracts that include sales-based royalties, the Company recognizes revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied.

The Company receives grants from various entities to perform research and development activities over contractually defined periods. Grant revenue is not accounted for under ASC 606, as the grant agreement is not with a customer. As there is no authoritative GAAP guidance for grants awarded to for-profit entities, the Company has applied the guidance in ASC 958, *Not-for-Profit Entities* by analogy. Revenue is generally recognized provided that the conditions under which the grants were provided have been met and any remaining performance obligations are perfunctory.

Warrant Liabilities

In connection with the Merger, the Company assumed warrant liabilities for the warrants issued in connection with the initial public offering CM Life Sciences II Inc ("CMLS II"), SomaLogic's predecessor company. CMLS II issued 5,519,991 warrants (the “Public Warrants”) to purchase shares of common stock at $11.50 per share. Simultaneously, with the consummation of the CMLS II initial public offering, CMLS II issued 5,013,333 warrants through a private placement (the “Private Placement Warrants”, and together with the Public Warrants, the “Warrants”) to purchase shares of SomaLogic Common Stock at $11.50 per share. As of the Closing Date, the Warrants converted into the right to receive, upon exercise of such Warrant, 1.11 shares of the Company's common stock. The Public Warrants are no longer publicly traded and are now identical to the Private Placement Warrants.

The Warrants are classified as liabilities on the condensed consolidated balance sheet as of June 30, 2024 as these instruments are precluded from being indexed to the Company's own stock given that the terms allow for a settlement adjustment that does not meet the scope for the fixed-for-fixed exception in ASC 815, *Derivatives and Hedging*. Since the Warrants meet the definition of a derivative under ASC 815-40, the Company recorded these warrants as long-term liabilities at fair value as of the Closing Date, with subsequent changes in fair value recognized within other income (expense), net in the condensed consolidated statement of operations for the three and six months ended June 30, 2024.

Segment Reporting

The Company manages its business through two reportable operating segments: proteomics and genomics. Segment information is consistent with how management reviews the business, makes investing and resource allocation decisions and assesses performance.

The Company's chief operating decision maker ("CODM"), its chief executive officer, assesses performance of operating segments and determines the allocation of resources based primarily on segment operating loss.

Recent Accounting Changes and Accounting Pronouncements

Recent Accounting Pronouncements

In November 2023, the FASB issued *ASU 2023-07, Segment Reporting - Improvements to Reportable Segment Disclosures*, which requires disclosure of more detailed information about a reportable segment's expenses. The new standard is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. The amendments must be applied retrospectively, and early adoption is permitted. The Company is currently assessing the effects of adoption on its consolidated financial statements.

In December 2023, the FASB issued *ASU 2023-09, Improvements to Income Tax Disclosures*, which requires disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The new standard is effective for fiscal years beginning after December 15, 2024. The amendments may be applied prospectively or retrospectively, and early adoption is permitted. The Company is currently assessing the effects of adoption on its consolidated financial statements.

2. Business Combination

Upon completion of the Merger, each share of SomaLogic Common Stock was exchanged for 1.11 shares of the Company's common stock. The fair value of the Company's common stock provided in exchange for SomaLogic Common Stock was approximately $419.2 million.

Purchase consideration also included replacement of equity awards attributable to pre-combination services. The acquisition-date fair value of consideration transferred in the Merger totaled approximately $444.2 million, comprising the following:

SomaLogic Common Stock issued and outstanding as of January 5, 2024		188,808
Fixed exchange ratio		1.11
Shares of Standard BioTools common stock issued to SomaLogic stockholders		209,577
Standard BioTools common stock price at close of Merger	$	2.00
Fair value of Standard BioTools common stock issued to SomaLogic stockholders	$	419,154
Fair value of Standard BioTools replacement equity awards attributable to pre-combination service		26,923
Less: Fair value of restricted shares subject to service conditions		(1,858)
Total consideration transferred	$	444,219

The Company accounted for the Merger as a business combination, using the acquisition method of accounting in accordance with ASC 805. The identifiable assets acquired and liabilities assumed of SomaLogic were recorded at their estimated fair values as of the acquisition date and consolidated with those of the Company. The following table reflects the preliminary allocation of consideration transferred to the identifiable assets acquired and liabilities assumed based on the estimated fair values as of the Closing Date:

Total consideration	$	444,219
Assets acquired		
Cash and cash equivalents		278,857
Short-term investments		148,305
Accounts receivable		16,430
Inventory		14,642
Prepaid expenses and other current assets		4,835
Property and equipment		22,455
Non-current inventory		12,208
Royalty receivable		4,669
Operating lease right-of-use assets		3,796
Other non-current assets		1,590
Intangible Assets		25,500
Total assets acquired		533,287
Liabilities assumed		
Accounts payable and accrued liabilities		20,660
Operating lease liabilities, current		1,601
Deferred revenue, current		3,522
Operating lease liabilities, non-current		2,193
Deferred revenue, non-current		30,667
Warrant liabilities		906
Other non-current liabilities		4,306
Total Liabilities		63,855
Total fair value of net assets acquired	$	469,432
Gain on bargain purchase	$	(25,213)

The fair value of the assets acquired and liabilities assumed exceeded the fair value of the consideration transferred, resulting in a bargain purchase gain. Before recognizing a gain on a bargain purchase, management reassessed the methods used in the acquisition accounting and verified that management had identified all of the assets acquired and all of the liabilities assumed, and that there were no additional assets or liabilities to be considered. Management also reassessed the procedures used to measure amounts recognized at the Closing Date to ensure that the measurements reflected all consideration transferred based on available information as of the Closing Date. Management determined that the bargain purchase gain was primarily attributable to a rapid decline in the price of the Company's common stock in the days following the announcement of the Merger, which persisted through the close of the Merger. The bargain purchase gain is separately stated below income from operations in the accompanying condensed consolidated statements of operations for the six months ended June 30, 2024.

The preliminary fair value estimates of the net assets acquired are based upon preliminary calculations and valuations and are subject to change as the Company obtains additional information during the measurement period (up to one year from the Closing Date).

The identifiable intangible assets acquired consisted of developed technology, customer relationships, and tradename. The fair values of the developed technology and customer relationships were estimated using variations of the multi-period excess earnings method, which isolates the net earnings attributable to the asset being measured. The fair value of the SomaLogic trade name was estimated using the relief-from-royalty method, which determines the present value of license fees avoided by owning the trade name. The useful lives of acquired intangibles was estimated based on the contractual terms or period over which approximately 85% to 90% of the cumulative discounted cash flows would be realized, depending on the nature of the asset. The valuation of the intangible assets acquired in connection with the Merger, along with their estimated useful lives, is as follows (in thousands):

	Fair Value	Useful Life
Developed technology	$ 20,000	9 years
Trade name	2,750	7 years
Customer relationships	2,750	11 years
Total fair value of intangible assets acquired	$ 25,500	

As a result of the Merger, the Company incurred $1.9 million of transaction bonuses recorded in selling, general, and administrative expenses on the condensed consolidated statement of operations. Additionally, the Company incurred $12.3 million of acquisition-related transaction costs reflected in transaction and integration expenses on the condensed consolidated statement of operations for the six months ended June 30, 2024.

Unaudited Pro Forma Results

The unaudited pro forma financial information in the table below summarizes the combined results of operations for the Company and SomaLogic, as if the companies were combined as of January 1, 2023.

The unaudited pro forma financial information for the three and six months ended June 30, 2024 combines the Company's financial results for the three and six months ended June 30, 2024 and the historical results of SomaLogic for the 5-day period ended on the Closing Date. The unaudited pro forma financial information for the three and six months ended June 30, 2023 combines the historical results of the Company and SomaLogic for their respective three and six-month periods ended June 30, 2023. The pro forma financial information for the three and six months ended June 30, 2023 has been adjusted to include certain nonrecurring impacts associated with the merger, including the bargain purchase gain and transaction costs. These same impacts have been eliminated from the pro forma financial information for the three and six months ended June 30, 2024.

The unaudited pro forma financial information for all periods presented includes the business combination accounting effects resulting from the Merger, mainly including adjustments to reflect additional amortization expense from acquired intangible assets, adjustments to stock-based compensation expense, and additional depreciation expense from the acquired property and equipment. The unaudited pro forma financial information as presented below is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisitions had taken place on January 1, 2023.

	Three Months Ended June 30,	Six Months Ended June 30,	
	2023	2024	2023
Revenue	$ 48,134	$ 83,390	$ 93,632
Net loss	$ (39,557)	$ (107,693)	$ (67,796)

The results of SomaLogic have been consolidated with the Company's results since the Closing Date. For the period of January 6, 2024 to June 30, 2024, SomaLogic contributed revenue and loss of $38.6 million and $29.0 million, respectively. For the three months ended June 30, 2024, SomaLogic contributed revenue and loss of $14.7 million and $13.7 million, respectively.

3. Revenue and Geographic Area

Disaggregation of Revenue by Product Type and Geographic Area

The following tables present the Company's revenue for the three and six months ended June 30, 2024 and 2023, respectively, based on product type and the geographic location of customers' facilities (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Product revenue:				
Instruments	$ 7,047	$ 11,587	$ 11,950	$ 17,510
Consumables	8,847	10,078	19,258	21,593
SomaScan® assay kits and related	6,269	-	14,547	-
Total product revenue	22,163	21,665	45,755	39,103
Service revenue:				
Assay services	7,680	-	22,542	-
Instrument support services	6,373	5,821	12,538	12,702
Total service revenue	14,053	5,821	35,080	12,702
Product and service revenue	36,216	27,486	80,835	51,805
Collaboration and other revenue	989	180	1,910	980
Total revenue	$ 37,205	$ 27,666	$ 82,745	$ 52,785

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Americas	$ 19,826	$ 10,448	$ 44,490	$ 22,110
Europe, Middle East and Africa (EMEA)	10,536	11,436	23,051	19,273
Asia-Pacific	6,843	5,782	15,204	11,402
Total revenue	$ 37,205	$ 27,666	$ 82,745	$ 52,785

Illumina Cambridge, Ltd.

In connection with the Merger, the Company assumed a multi-year arrangement with Illumina Cambridge, Ltd. ("Illumina"), originally entered into by SomaLogic and Illumina in December 2021 (the "Illumina Agreement), to jointly develop and commercialize co-branded kits that will combine Illumina's Next Generation Sequencing ("NGS") technology with SomaScan® technology (the "Co-Branded Kits"). Pursuant to the Illumina Agreement, SomaLogic received a non-refundable upfront payment of $30.0 million in January 2022. Subsequent to executing the Illumina Agreement, Illumina paid an additional $0.5 million to purchase the equipment, supplies and training necessary to run the SomaScan® assay at their facilities, representing a modification to the Illumina Agreement. As of the Closing Date, the Company determined that the transaction price of the Illumina Agreement was $30.5 million. Subsequent to commercialization of the Co-Branded Kits, the Company is entitled to receive $124.5 million of minimum guaranteed royalties through the term of the Illumina Agreement. No royalties were included in the Illumina transaction price as probability of commercialization had not been achieved as of the Closing Date.

Subsequent to commercialization of the Co-Branded Kits, Illumina has the right to purchase SOMAmer reagents below SSP through the remaining term of the Illumina Agreement, which will continue for approximately 8 years following commercialization. Illumina's option to purchase SOMAmer reagents below SSP for this period represents a significant material right (the "Material Right"). As of the Closing Date, the Company allocated $30.4 million of the Illumina transaction price to the Material Right, which will be recognized as revenue as Illumina purchases SOMAmer reagents post commercialization.

During the first quarter of 2024, the Company determined that commercialization of the Co-Branded Kits is probable due to the launch of an early-access program, and adjusted the transaction price to include $127.9 million of royalties expected to be received from 2025 through 2032. The Company allocated $0.4 million of the adjusted transaction price to satisfy performance obligations, and recognized that amount as revenue on a cumulative catch-up basis. The total transaction price of the Illumina Agreement as adjusted is $158.4 million. Substantially all of the transaction price is allocated to the Material Right, which the Company expects to recognize as revenue over an 8-year period from 2025 through 2032.

NEC Corporation

Additionally, in connection with the Merger, the Company assumed a joint development and commercialization agreement (the "JDCA") with NEC Solution Innovators, Ltd. ("NEC"), originally entered into by SomaLogic and NEC in March 2020, to develop and commercialize SomaScan® services in Japan. The JDCA is within the scope of ASC 808 as both companies are active participants and are exposed to significant rewards and risks dependent on commercial failure or success, and is accounted for by analogy to ASC 606.

In connection with the Merger, the Company assumed certain contract liabilities and recorded $1.8 million of deferred revenue as of the Closing Date. Under the JDCA, the Company was entitled to receive $2.0 million in exchange for research and development services, which was received in April 2024. As of June 30, 2024, deferred revenue related to the JDCA was $2.3 million, which is expected to be fully recognized by March 31, 2025.

New England Biolabs, Inc.

Also in connection with the Merger, the Company assumed a non-exclusive licensing agreement with New England Biolabs, Inc. ("NEB"), originally entered into by SomaLogic and NEB in September 2022 (the "License Agreement"), whereby the Company provides a license to use certain proprietary information and know-how relating to SomaLogic's aptamer technology. Under the License Agreement, the Company is guaranteed fixed minimum royalties of $8.9 million to be received through September 2025. No revenue related to the guaranteed fixed minimum royalties will be recognized, as all revenue related to the receivable was recognized by SomaLogic prior to the Merger. Any revenue above the guaranteed fixed minimum royalties will be recognized in the period in which the subsequent sale or usage has occurred. As of June 30, 2024, royalties receivable related to this agreement were $8.2 million, including a current and non-current portion of $4.5 million and $3.7 million, respectively.

Unfulfilled Performance Obligations

A summary of the change in deferred revenue is as follows (in thousands):

	NEC	Illumina	Other	Total
Deferred revenue at December 31, 2023	$ -	$ -	$ 15,127	$ 15,127
Deferred revenue assumed in connection with merger	1,773	30,418	1,998	34,189
Recognition of revenue from beginning or assumed deferred revenue balances	(985)	(406)	(8,355)	(9,746)
Revenue deferred during the period, net of revenue recognized	1,500	—	7,438	8,938
Deferred revenue at June 30, 2024	$ 2,288	$ 30,012	$ 16,208	$ 48,508

The Company expects to recognize revenue from unfulfilled performance obligations associated with service contracts that were partially completed as of June 30, 2024 in the following periods (in thousands):

Fiscal Year	Expected Revenue [1]
2024 remainder of the year	$ 8,099
2025	7,714
2026	3,304
Thereafter	1,458
Total	$ 20,575

(1) Expected revenue includes both billed amounts included in deferred revenue and unbilled amounts that are not reflected in the Company's condensed consolidated financial statements and are subject to change if the Company's customers decide to cancel or modify their contracts. Purchase orders for instrument service contracts can generally be canceled before the service period begins.

The Company also has unsatisfied performance obligations for service contracts with an expected term of one year or less not included in the amounts above.

4. Goodwill and Acquired Intangible Assets, net

Acquired intangible assets, net consisted of the following (in thousands):

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Developed technology	$ 137,199	$ (118,310)	$ 18,889	$ 117,354	$ (115,954)	$ 1,400
Trade name	2,750	(196)	2,554	—	—	—
Customer relationships	2,750	(115)	2,635	—	—	—
Acquired intangible assets, net	$ 142,699	$ (118,621)	$ 24,078	$ 117,354	$ (115,954)	$ 1,400

Total amortization expense of the Company's acquired intangible assets was $0.7 million and $2.8 million for the three months ended June 30, 2024 and 2023, respectively. Total amortization expense of the Company's acquired intangible assets was $2.8 million and $5.6 million for the six months ended June 30, 2024 and 2023, respectively. There were no indicators of impairment of goodwill, long-lived assets or intangible assets during the six months ended June 30, 2024.

As of June 30, 2024, future expected amortization expense of acquired intangible assets, net was as follows (in thousands):

Fiscal Period	
2024 remainder of the year	$ 1,423
2025	2,844
2026	2,844
2027	2,844
2028	2,844
Thereafter	11,279
Total	$ 24,078

5. Balance Sheet Details

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Cash and cash equivalents	$ 269,811	$ 51,704
Restricted cash	1,289	795
Total cash, cash equivalents and restricted cash	$ 271,100	$ 52,499

Restricted cash of $1.3 million and $0.8 million is included in other non-current assets on the condensed consolidated balance sheets as of June 30, 2024, and December 31, 2023, respectively.

Accounts Receivable

Accounts receivable consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Trade receivables	$ 28,103	$ 19,972
Royalty receivable, current	4,814	—
Less: allowance for expected credit losses	(476)	(312)
Accounts receivable, net	$ 32,441	$ 19,660

Inventory

Inventory consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Raw materials	$ 49,260	$ 12,140
Work-in-process	625	282
Finished goods	8,985	8,111
Total inventory	$ 58,870	$ 20,533
Inventory, current	$ 42,618	$ 20,533
Inventory, non-current [(1)]	$ 16,252	$ —

(1) The value of inventory that is not expected to be used within 12 months of the balance sheet date is classified as non-current inventory on the condensed consolidated balance sheets.

The Company recorded charges for excess and obsolete inventory of $1.2 million and $0.2 million for the three months ended June 30, 2024 and 2023, respectively, and $1.9 million and $0.6 million for the six months ended June 30, 2024 and 2023, respectively.

Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Laboratory and manufacturing equipment	$ 58,728	$ 35,563
Leasehold improvements	17,053	13,785
Computer equipment	7,804	6,232
Internal-use software	16,735	—
Office furniture and fixtures	3,470	1,762
Property and equipment, gross	103,790	57,342
Less accumulated depreciation and amortization	(66,566)	(35,489)
Construction-in-progress	5,345	2,334
Property and equipment, net	$ 42,569	$ 24,187

Depreciation and amortization expense was $3.1 million and $0.8 million for the three months ended June 30, 2024 and 2023, respectively. Depreciation and amortization expense was $6.2 million and $1.7 million for the six months ended June 30, 2024 and 2023, respectively.

Accrued Liabilities

Accrued liabilities, which are included in current liabilities on the condensed consolidated balance sheets consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Accrued compensation and related benefits	$ 14,004	$ 12,052
Loss contingency accruals	3,297	—
Accrued warranties	2,876	2,593
Accrued restructuring	3,743	825
Uninvoiced receipts	1,037	1,516
Other	6,972	4,033
Accrued liabilities	$ 31,929	$ 21,019

Refer to Note 16 for additional information on restructuring.

Deferred Grant Income

In September 2020, the Company executed a contract with the National Institutes of Health ("NIH") under NIH's Rapid Acceleration of Diagnostics program to support the expansion of the Company's production capacity for its COVID-19 test products. Under the now-completed contract, the Company received $34.0 million of funding from the NIH and used $22.2 million on capital expenditures for its Singapore manufacturing facility. The amortization of the deferred income, which is offset against depreciation, was $0.9 million for each of the three months ended June 30, 2024 and 2023, and $1.8 million for each of the six months ended June 30, 2024 and 2023. Cumulative amounts applied against depreciation expense for these assets placed in service were $9.6 million and $7.8 million as of June 30, 2024 and December 31, 2023, respectively, and the carrying values of these assets were $12.6 million and $14.4 million as of these same dates, respectively.

The current portion of deferred grant income on the Company's condensed consolidated balance sheets represents amounts expected to be offset against depreciation expense over the next twelve months. The non-current portion of deferred grant income includes amounts expected to be offset against depreciation expense in later periods.

6. Debt

Total carrying value of debt consists of the following (in thousands):

	June 30, 2024	December 31, 2023
Convertible notes:		
2014 Notes	$ 299	$ 569
2019 Notes, current	54,783	54,530
Total convertible notes, net	55,082	55,099
Term loan, non-current	—	3,414
Term loan, current	—	5,000
Total debt	$ 55,082	$ 63,513

Convertible Notes

In February 2014, the Company closed an underwritten public offering of 2014 Senior Convertible Notes (the "2014 Notes"), which will mature on February 1, 2034, unless earlier converted, redeemed or repurchased in accordance with the terms of the 2014 Notes. Holders may require the Company to repurchase all or a portion of their 2014 Notes beginning on February 6, 2029 at a repurchase price in cash equal to 100% of the principal amount of the 2014 Notes plus accrued and unpaid interest. In March 2024, the Company repurchased $0.3 million of the outstanding principal amount of the 2014 Notes.

In November 2019, the Company issued $55.0 million aggregate principal amount of 2019 Senior Convertible Notes (the "2019 Notes" and together with the 2014 Notes, the "Convertible Notes"). Net proceeds from the 2019 Notes issuance of $52.7 million, after deductions for commissions and other debt issuance costs, were used to retire all but $1.1 million of the aggregate principal value of the 2014 Notes then outstanding. The 2019 Notes bear interest at 5.25% per annum, payable semiannually on June 1 and December 1 of each year. The 2019 Notes will mature on December 1, 2024, unless earlier repurchased or converted pursuant to their terms. The 2019 Notes will be convertible at the option of the holder at any point prior to the close of business on the second scheduled trading day preceding the maturity date. The initial conversion rate of the 2019 Notes is 344.8276 shares of the Company's common stock per $1,000 principal amount of 2019 Notes (which is equivalent to an initial conversion price of approximately $2.90 per share). The conversion rate is subject to adjustment upon the occurrence of certain specified events. Those certain specified events include conversion of the 2019 Notes in connection with a make-whole fundamental change, entitling the holders, under certain circumstances, to a make-whole premium in the form of an increase in the conversion rate determined by reference to a make-whole table set forth in the indenture governing the 2019 Notes. The conversion rate will not be adjusted for any accrued and unpaid interest. The 2019 Notes are convertible at the Company's option in whole but not in part into shares of the Company's common stock upon certain conditions if the volume-weighted average price of the Company's common stock has equaled or exceeded 130% of the conversion price then in effect for a specified number of days.

Offering-related costs related to both notes were capitalized as debt issuance costs and are recorded as an offset to the carrying value of the 2019 Notes.

The carrying values of the Convertible Notes approximate fair values as the interest rate and terms are reflective of the rate the Company could obtain on debt with similar terms and conditions. The Convertible Notes are not regularly traded and there is no public market for the Convertible Notes. The estimated fair values for the Convertible Notes represent Level 3 valuations since the fair values for the Convertible Notes cannot be determined by using readily observable inputs or measures, such as market prices.

Term Loan Facility, net

On August 2, 2021, the Company amended its Revolving Credit Facility to, amongst other things, provide for a new $10.0 million term loan facility (the "Term Loan Facility"). As of December 31, 2023, the Term Loan Facility was fully drawn with an outstanding principal balance of $7.9 million and a carrying value of $8.4 million. The interest rate on the Term Loan Facility was the greater of 4.0% per annum or a floating per annum rate equal to the prime rate plus 0.75%. Interest on any outstanding term loan advances was due and payable monthly. In addition to the monthly interest payments, a final payment equal to 6.5% of the original principal amount of each advance was due the earlier of the maturity date or the date the advance is repaid. Principal balances were required to be repaid in 24 equal installments which began on August 1, 2023. The stated maturity of the Term Loan Facility was July 1, 2025.

On March 4, 2024, the Company fully repaid all outstanding indebtedness owed pursuant to the Term Loan Facility and terminated the agreement.

7. Leases

In connection with the Merger, the Company assumed three leases for office and laboratory space, with lease terms of three to five years. The leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options at the Company's election to renew or extend the leases for additional periods ranging from three to ten years.

Lease Costs

Lease costs for operating leases are recognized on a straight-line basis over the lease term. The total lease cost for the period, including the Company's historical leases and those assumed in connection with the Merger, was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost	$ 2,542	$ 2,001	$ 5,098	$ 4,011
Short-term lease cost	—	—	—	—
Variable lease cost	1,398	822	2,593	1,587
Less: Sublease income	(1,076)	(528)	(2,152)	(1,449)
Total lease cost	$ 2,864	$ 2,295	$ 5,539	$ 4,149

Lease Maturities

The table below reconciles the undiscounted lease payment maturities to the lease liabilities for the Company's operating leases:

	June 30, 2024
Remainder of 2024	$ 4,797
2025	9,703
2026	8,747
2027	7,400
2028	7,355
Thereafter	10,224
Total	48,226
Less: amount of lease payments representing interest	(12,758)
Present value of future minimum lease payments	35,468
Less: current operating lease liabilities	(5,851)
Long-term operating lease liabilities	$ 29,617

Supplemental Lease Information

Supplemental information related to the Company's operating leases was as follows:

	June 30, 2024
Weighted average remaining lease term	5.3 years
Weighted average discount rate	11.9%

8. Commitments and Contingencies

Other Commitments

In the normal course of business, the Company enters into various contractual and legally binding purchase commitments. As of June 30, 2024, the Company's open commitments totaled $18.5 million. Capital expenditure commitments as of June 30, 2024 were immaterial.

In connection with the Illumina Agreement, SomaLogic, and now the Company, is required to engage with two contract manufacturing organizations in order to ensure manufacturing capacity. In 2023, SomaLogic contracted with Integrated DNA Technologies, Inc. (“IDT”) to manufacture custom products. Under the contract manufacturing agreement, SomaLogic committed to minimum annual purchases of $2.3 million, which obligation the Company subsumed in connection with the Merger. As the minimum contract term is three years, the total purchase commitment related to the Illumina Agreement is $6.9 million. As of June 30, 2024, the Company had not yet began placing orders under the Illumina Agreement.

The Company has entered into several license and patent agreements. Under these agreements, the Company pays annual license maintenance fees, non-refundable license issuance fees, and royalties as a percentage of net sales for the sale or sublicense of products using the licensed technology. Future payments related to these license agreements have not been included in the open commitments above, as the period of time over which the future license payments will be required to be made, and the amount of such payments, are indeterminable. The Company does not expect the license payments to be material in any particular year.

Indemnification

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company’s exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Company may record charges in the future as a result of these indemnification obligations.

In addition, the Company has entered into indemnification agreements with its officers, directors and certain other employees. With certain exceptions, these agreements provide for indemnification for related expenses including, among others, attorneys’ fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding.

Legal Proceedings

From time to time, the Company may be subject to various legal proceedings and claims arising in the ordinary course of business. These include disputes and lawsuits related to intellectual property, mergers and acquisitions, licensing, contract law, tax, regulatory, distribution arrangements, employee relations and other matters. Periodically, the Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and a range of possible loss can be estimated, the Company accrues a liability for the estimated loss.

Stockholder Litigation

On November 28, 2023, a purported stockholder filed a complaint against the Company and its members of its Board in the United States District Court for the Northern District of California. The complaint has since been voluntarily dismissed. On December 12, 2023 two separate stockholder complaints were filed in the District of Delaware. The complaints asserted claims under Section 14(a) of the Exchange Act and Rule 14a-9 promulgated thereunder and Section 20(a) of the Exchange Act for allegedly causing the filing with the SEC on November 14, 2023 of a materially deficient registration statement on Form S-4. Among other remedies, the plaintiffs sought to enjoin a stockholder vote on the proposed Merger. The Company is reviewing the complaints and has not yet formally responded to them. On December 13, 2023, a complaint was filed in the Delaware Court of Chancery against SomaLogic and certain officers and directors alleging Breach of Fiduciary Duty and Aiding and Abetting Breach of Fiduciary Duty. This complaint also sought an injunction postponing the proposed transaction, which was denied by the Court on January 4, 2024. An amended complaint was filed on June 20, 2024, containing primarily the same allegations, while removing some of the defendants. As of the date of this report, the Company is in the process of reviewing the amended complaint. Litigation is inherently uncertain and there can be no assurance regarding the outcome. Whether or not any plaintiffs’ claim is successful, this type of litigation may result in significant costs and divert management’s attention and resources, which could adversely affect the operation of our business.

Between October 24, 2023 and January 3, 2024, SomaLogic received 18 letters from purported stockholders demanding that SomaLogic allow the inspection of its books and records and/or make corrective disclosures to its registration statement.

In February 2024, the Company settled previously outstanding litigation with a former stockholder of SomaLogic, whereby the Company relinquished 422,048 shares of the Company's common stock that were subject to vesting conditions.

In May 2024, the Company settled previously outstanding litigation with former stockholders of SomaLogic for $6.2 million consisting of the repurchase of approximately 1.84 million shares of the Company's common stock from the stockholders at the market price of $2.40 per share, and a cash payment of $1.8 million. The Company recognized a litigation loss of $0.6 million during the six months ended June 30, 2024.

On June 4, 2024, the Company received a demand pursuant to Section 220 of the Delaware General Corporation Law from a stockholder to inspect the Company's books and records relating to the prior conversion of the Company's Series B preferred stock. The Company has responded to the demand and has produced documents.

Additional lawsuits against us and certain of our officers or directors may be filed in the future. If additional similar complaints are filed, absent new or different allegations that are material, we will not necessarily announce such additional filings.

In the normal course of business, the Company is from time to time involved in legal proceedings or potential legal proceedings, including matters involving employment, intellectual property, or others. Although the results of litigation and claims cannot be predicted with certainty, management currently believes that the final outcome of any currently pending matters would not have a material adverse effect on our business, operating results, financial condition, or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Legal proceedings are subject to uncertainties, and the outcomes are difficult to predict. Because of such uncertainties, accruals are based only on the best information available at the time. As additional information becomes available, the Company continues to reassess the potential liability related to pending claims and litigation and may revise estimates.

Other Contingencies

Following the Merger, Standard BioTools is responsible for SomaLogic's liabilities and obligations, including with respect to legal, financial, regulatory, and compliance matters. These liabilities and obligations will result in additional cost and expense by Standard BioTools and, if Standard BioTools has underestimated the amount of these costs and expenses or if Standard BioTools fails to satisfy any such liabilities or obligations, Standard BioTools may not realize the anticipated benefits of the Merger and there may be an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors. Further, it is possible that there may be unknown, contingent or other liabilities, obligations or other problems that may arise in the future, the existence and/or magnitude of which Standard BioTools was previously unaware. Any such liabilities, obligations or other problems could have an adverse effect on the company's business, financial condition, results of operations or cash flows. With respect to these additional matters, the Company is not able to estimate the possible loss or range of losses that could be incurred.

9. Fair Value of Financial Instruments

Fair Value of Financial Instruments

The following tables summarize the Company's financial instruments by significant investment category measured at fair value on a recurring basis within the fair value hierarchy as described herein (in thousands):

		Fair Value Measurements At Reporting Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2024				
Cash and cash equivalents:				
Money market funds	$ 33,705	$ 33,705	$ —	$ —
Total cash and cash equivalents	$ 33,705	$ 33,705	$ —	$ —
Short-term investments:				
U.S. treasury securities	$ 124,902	$ —	$ 124,902	$ —
Total short-term investments	$ 124,902	$ —	$ 124,902	$ —
Total assets measured at fair value	$ 158,607	$ 33,705	$ 124,902	$ —

	Total	Fair Value Measurements At Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2023				
Cash and cash equivalents:				
Money market funds	$ 35,385	$ 35,385	$ —	$ —
Total cash and cash equivalents	$ 35,385	$ 35,385	$ —	$ —
Short-term investments:				
U.S. treasury securities	$ 63,191	$ —	$ 63,191	$ —
Total short-term investments	$ 63,191	$ —	$ 63,191	$ —
Total assets measured at fair value	$ 98,576	$ 35,385	$ 63,191	$ —

There were no transfers within the hierarchy and no changes in the valuation techniques used during the six months ended June 30, 2024.

The following table summarizes available-for-sale securities (in thousands):

	Maturity (in years)	As of June 30, 2024			
		Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash and cash equivalents:					
Money market funds		$ 33,705	$ —	$ —	$ 33,705
Total cash and cash equivalents		$ 33,705	$ —	$ —	$ 33,705
Short-term investments:					
U.S. treasury securities	1 or less	$ 124,949	$ —	$ (47)	$ 124,902
Total short-term investments		$ 124,949	$ —	$ (47)	$ 124,902
Total available-for-sale securities		$ 158,654	$ —	$ (47)	$ 158,607

	Maturity (in years)	As of December 31, 2023			
		Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash and cash equivalents:					
Money market funds		$ 35,385	$ —	$ —	$ 35,385
Total cash and cash equivalents		$ 35,385	$ —	$ —	$ 35,385
Short-term investments:					
U.S. treasury securities	1 or less	$ 63,169	$ 22	$ —	$ 63,191
Total short-term investments		$ 63,169	$ 22	$ —	$ 63,191
Total available-for-sale securities		$ 98,554	$ 22	$ —	$ 98,576

As of June 30, 2024, none of the available-for-sale securities held have been in an unrealized loss position for greater than 12 months. The Company does not intend to sell these investments and it is not likely that the Company will be required to sell these investments before recovery of their amortized cost basis. No allowance for credit losses was recorded.

Liabilities measured at fair value on a recurring basis

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

Fair value of warrant liabilities as of Closing Date	$	906
Change in fair value of warrant liabilities		(453)
Fair value of warrant liabilities as of June 30, 2024	$	453

Warrant liabilities

The Warrants were valued using Level 2 inputs as of the Closing Date as the Public Warrants were actively traded as of the Closing Date. Therefore, the Company had directly observable prices for identical instruments as of the Closing Date. As of June 30, 2024, the Public Warrants were no longer publicly traded (see Note 1), so the Warrants were valued using a binomial lattice model (a special case of the income approach), using the following Level 3 inputs:

	June 30, 2024
Volatility	70.2%
Risk-free rate	4.62%
Warrant term	2.2

10. Mezzanine Equity

Series B Redeemable Preferred Stock

On March 18, 2024, the Company entered into an exchange agreement (the “Exchange Agreement”) with Casdin Private Growth Equity Fund II, L.P. and Casdin Partners Master Fund, L.P. (together, "Casdin"), and Viking Global Opportunities Illiquid Investments Sub Master LP and Viking Global Opportunities Drawdown LP (together, “Viking” and, collectively with Casdin, the “Investors”). Pursuant to the Exchange Agreement, the Investors exchanged (the “Exchange”) an aggregate of (i) 127,780 shares of Series B-1 Convertible Preferred Stock, par value $0.001 per share (the “Series B-1 Preferred Stock”), and (ii) 127,779 shares of Series B-2 Convertible Preferred Stock, par value $0.001 per share (the “Series B-2 Preferred Stock” and, together with the Series B-1 Preferred Stock, the “Series B Preferred Stock”), representing all of the outstanding shares of Series B Preferred Stock, for an aggregate of 92,930,553 shares of the Company’s common stock. The Exchange was completed on March 18, 2024. Following the closing of the Exchange, no shares of Series B Preferred Stock remained outstanding as of June 30, 2024, and the Company had no amounts recorded in mezzanine equity.

On June 18, 2024, the Company filed a registration statement on Form S-3 (File No. 333-280321), which became effective on June 27, 2024, registering the resale of 105,116,628 shares of common stock which were issued upon conversion of the Series B Preferred Stock in the Exchange.

The Exchange was considered to be an induced conversion of preferred stock as the Investors received a lower conversion price, and were issued more shares of common stock than provided under the original terms of the Series B Convertible Preferred Stock Purchase Agreement entered into with the Investors. The $46.0 million difference between the fair value of the inducement and the carrying value of the Series B Preferred Stock was recognized to the Company's accumulated deficit during the six months ended June 30, 2024.

11. Stockholders’ Equity (Deficit)

2024 Stock Repurchase Program

On February 6, 2024, the Company's board of directors authorized a new share repurchase program (the "2024 Share Repurchase Program") pursuant to which the Company may repurchase up to $50.0 million of shares of its common stock in the open market, in one or more Rule 10b5-1 trading plans, or in negotiated transactions through March 1, 2026. The repurchases are contingent upon favorable market and business conditions and are funded by cash on hand. The program does not obligate the Company to acquire any

specific number of shares. During the six months ended June 30, 2024, the Company repurchased 13,603,617 shares of its common stock for an aggregate of $36.1 million under the 2024 Share Repurchase Program.

Common Shares Reserved

As of June 30, 2024, the Company had reserved shares of common stock for future issuance under equity compensation plans as follows (in thousands):

	Securities To Be Issued Upon Exercise Of Options	Securities To Be Issued Upon Release Of Restricted Stock	Number Of Remaining Securities Available For Future Issuance
2022 Inducement Equity Incentive Plan	7,595	1,093	6
2011 Equity Incentive Plan	8,308	8,036	28,683
2017 Inducement Award Plan	59	—	2
2017 Employee Stock Purchase Plan	—	—	1,379
SomaLogic Plans	26,344	1,226	—
Total common stock reserved for future issuance	42,306	10,355	30,070

12. Stock-based Compensation

The Company has various stock-based compensation plans, which are more fully described in our 2023 Financial Statements. Under the 2022 Inducement Equity Incentive Plan (the “2022 Plan”), the Company has the ability to grant several forms of incentive awards to the Company's eligible employees, directors, and non-employee consultants.

Upon completion of the Merger, the Company assumed SomaLogic's stock incentive plans. In addition, all outstanding options to purchase SomaLogic Common Stock and all restricted stock units in respect of shares of SomaLogic Common Stock that were outstanding immediately prior to the completion of the Merger were automatically adjusted by the Exchange Ratio and converted into an equity award of the same type covering shares of the Company's common stock, on the same terms and conditions (including any continuing vesting requirements), under the applicable Company plan and award agreement in effect immediately prior to the completion of the Merger.

During the three and six months ended June 30, 2024, the Company recorded nil and $6.2 million, respectively, of stock-based compensation expense due to the acceleration of awards for certain SomaLogic executives in connection with the Merger.

Restricted Stock Units

	Number of Units (in thousands)	Weighted-Average Grant Date Fair Value per Unit
Balance at December 31, 2023	6,933	$ 2.46
Assumed through acquisition	2,970	$ 2.00
Granted	4,235	$ 2.49
Vested	(2,959)	$ 2.33
Forfeited	(924)	$ 2.35
Balance at June 30, 2024	10,255	$ 2.38

As of June 30, 2024, unrecognized stock-based compensation expense related to outstanding unvested restricted stock units ("RSUs") under the Company’s equity incentive plans was $21.7 million. The Company expects to recognize the expense over a weighted-average period of 2.9 years.

Stock Options

	Number of Options (in thousands)	Weighted-Average Exercise Price per Option	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value [1] (in thousands)
Balance at December 31, 2023	9,294	$ 3.62	8.5	
Assumed through acquisition	28,184	$ 4.80		
Granted	6,697	$ 2.50		
Exercised	(531)	$ 2.13		
Cancelled	(1,338)	$ 4.44		
Balance at June 30, 2024	42,306	$ 4.23	6.5	$ 9
Vested at June 30, 2024	26,938	$ 4.88	5.0	$ 6
Unvested options at June 30, 2024	15,368	$ 3.09	9.0	$ 3

(1) Aggregate intrinsic value as of June 30, 2024 was calculated as the difference between the closing price per share of the Company's common stock on the Nasdaq Global Select Market on June 28, 2024, which was $1.77, and the exercise price of the options, multiplied by the number of in-the-money options.

The total intrinsic value of options exercised during the three and six months ended June 30, 2024 was $0.2 million and $0.3 million, respectively. The total intrinsic value of options exercised during each of the three and six months ended June 30, 2023 was immaterial. As of June 30, 2024, the aggregate unrecognized compensation costs related to outstanding unvested options under the Company's equity incentive plans were $27.2 million. The Company expects to recognize those costs over a weighted-average period of 2.8 years.

Performance-based Awards

In July 2023, the Company granted performance-based restricted stock units ("PSUs") to certain executive officers that vest based upon the achievement of specified revenue and EBITDA targets for the twelve months ended December 31, 2023, and the executive's continued employment with the Company. Stock-based compensation expense is being recognized over the requisite service period, as it is deemed probable the Company will satisfy the performance measures. Certain of the specified revenue and EBITDA targets were met and the PSUs vested and were released from restriction in April 2024.

Activity under the performance-based awards was as follows:

	Number of Units (in thousands)	Weighted-Average Grant Date Fair Value per Unit
Balance at December 31, 2023	309	$ 2.42
PSU granted	100	$ 2.25
Performance adjustment	(26)	$ 2.42
PSU released	(283)	$ 2.42
Balance at June 30, 2024	100	$ 2.25

Stock-based Compensation Expense

Stock-based compensation expense is reported in the Company's condensed consolidated statement of operations as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of product revenue	$ 162	$ 99	$ 305	$ 373
Cost of services revenue	132	8	227	85
Cost of collaboration and other revenue	—	—	1	2
Research and development expense	2,428	366	3,756	782
Selling, general and administrative expense	4,008	2,641	14,052	5,020
Total stock-based compensation expense	$ 6,730	$ 3,114	$ 18,341	$ 6,262

13. Net Loss Per Share

The Company's basic and diluted net loss per share is calculated by dividing net loss less any redemption or induced conversion on the Series B Preferred Stock by the weighted-average number of shares of common stock outstanding for the period. RSUs, PSUs, options to purchase the Company's common stock, restricted stock, Employee Stock Purchase Plan ("ESPP") shares pending issuance, Series B Preferred Stock and Convertible Notes are considered to be potentially dilutive common shares but have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive for all periods presented.

As described above, on March 18, 2024, the Company consummated the Exchange in which all outstanding Series B Preferred Stock were exchanged for an aggregate of 92,930,553 shares of the Company's common stock. This transaction was determined to be an induced conversion due a reduction in the original conversion price. The excess of the fair value of the common stock issued over the fair value of shares issuable under original terms represents an in-substance distribution to the Investors, and was included as a reduction to the numerator in calculating earnings per share.

Computation of net loss per share for the three and six months ended June 30, 2024 and 2023 was as follows (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss from operations	$ (45,718)	$ (17,040)	$ (77,875)	$ (33,883)
Induced conversion of redeemable preferred stock	—	—	(46,014)	—
Net loss attributable to common stockholders	$ (45,718)	$ (17,040)	$ (123,889)	$ (33,883)
Denominator:				
Weighted-average shares outstanding during the period	372,331	78,669	333,228	78,873
Net loss per share attributable to common stockholders, basic and diluted	$ (0.12)	$ (0.22)	$ (0.37)	$ (0.43)

The following potentially dilutive common shares were excluded from the computations of diluted net loss per share for the periods presented because including them would have been anti-dilutive (in thousands):

	Six Months Ended June 30,	
	2024	2023
RSUs, PSUs, stock options, restricted shares and ESPP shares	53,275	14,366
Series B Preferred Stock	—	75,164
2019 Notes[(1)]	18,966	18,966
2014 Notes	5	10
Warrants	11,692	—
Total	83,938	108,506

(1) The conversion rate is subject to adjustment upon the occurrence of certain specified events, including voluntary conversion of the 2019 Notes prior to the Company's exercise of the Issuer's Conversion Option (as defined in the 2019 Notes) or in connection with a make-whole fundamental change, entitling the holders, under certain circumstances, to a make-whole premium in the form of an increase in the conversion rate determined based on the effective date and current price of the Company's common stock, subject to a minimum and maximum price per share. The maximum number of additional shares of the Company's common stock that may be issued under the make-whole premium is 4,741,374 shares. Refer to Note 6 for additional information on the 2019 Notes.

The 11,329,047 and 1,208,200 shares of the Company's common stock that were repurchased during the three months ended June 30, 2024 and 2023, respectively, and the 15,448,533 and 2,458,684 shares repurchased during the six months ended June 30, 2024 and 2023, respectively, have also been excluded from the Company's net loss per share and diluted net loss per share calculations.

14. Income Taxes

The Company's quarterly provision for income taxes is based on an estimated annual effective income tax rate. The quarterly provision for income taxes also includes discrete items, such as changes in valuation allowances or adjustments upon finalization of

tax returns as well as infrequently occurring items, if any, such as the effects of changes in tax laws or rates, in the interim period in which they occur.

The Company recorded income tax expense of $0.1 million and $0.3 million in the three months ended June 30, 2024 and 2023, respectively, and income tax expense of $0.2 million and $0.6 million in the six months ended June 30, 2024 and 2023, respectively. The decrease in the Company's tax provision reflects the effect of the Company's foreign operations, which reported lower pre-tax income in the first half of 2024 compared to the same period in 2023.

The Company's effective tax rates for both periods differ from the 21% U.S. Federal statutory tax rate primarily due to valuation allowances recorded against deferred tax assets on domestic losses and the tax rate differences between the United States and foreign countries. The Company maintains a valuation allowance against its U.S. deferred tax assets as the Company believes it is more likely than not the deferred tax assets will not be realized.

15. Segment Reporting

The Company operates in two reportable segments: proteomics and genomics. Each segment is identified by its unique portfolio of products. Proteomics includes instruments, consumables, software, and services based upon technologies used in the identification of proteins. Genomics includes instruments, consumables, software, and services based upon technologies used in the identification of genes (DNA, RNA) and their functions.

During the first quarter of 2024, the CODM began using operating income to measure the operating performance of the segments. The Company determines each segment's operating income by subtracting direct expenses, including cost of revenues, research and development expense, and sales and marketing expense, from revenues. Amortization, depreciation, and restructuring charges are included in each segment's operating expenses. Corporate costs, including general and administrative expenses for functions shared by both operating segments such as executive management, human resources, and finance, along with interest and taxes, and transaction and integration expenses are excluded from each segment's results, which is consistent with how our CODM evaluates segment performance.

The Company does not prepare or report segmented balance sheet information as the CODM does not use the information to assess segment operating performance. The segments adhere to the same accounting policies as the Company as a whole.

The Company's business segment information was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Proteomics	$ 28,209	$ 18,088	$ 64,389	$ 33,288
Genomics	8,996	9,578	18,356	19,497
Total revenue	$ 37,205	$ 27,666	$ 82,745	$ 52,785
Income (loss) from operations:				
Proteomics	$ (23,739)	$ (3,710)	$ (38,275)	$ (9,191)
Genomics	952	(437)	756	(260)
Corporate expenses	(19,201)	(11,035)	(43,204)	(21,174)
Restructuring and related charges	(5,749)	(2,267)	(10,033)	(3,417)
Transaction and integration expenses	(2,782)	—	(19,945)	—
Total income (loss) from operations	$ (50,519)	$ (17,449)	$ (110,701)	$ (34,042)
Depreciation & amortization:				
Proteomics	1,896	3,240	$ 5,253	$ 6,512
Genomics	346	164	747	330
Corporate	1,614	222	3,050	446
Total depreciation & amortization	$ 3,856	$ 3,626	$ 9,050	$ 7,288

16. Restructuring and Related Charges

In April 2024, following a strategic review of the combined business after completion of the Merger, the Company announced workforce reduction plan (the "Strategic Reorganization") to reduce operating costs and focus on long-term growth opportunities. Under this Strategic Reorganization, the Company reduced its workforce by approximately 10% of its total workforce, with the majority of these employees separating by July 2024. Employees who were impacted by the Strategic Reorganization were eligible to receive severance and other benefits contingent upon an impacted employee's execution of a separation agreement. Certain impacted employees were covered by employment agreements or existing severance plans that provided termination benefits.

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

The Company recognized restructuring charges of approximately $5.7 million and $10.0 million during the three and six months ended June 30, 2024, respectively, related to a restructuring plan implemented after the Merger to integrate operations and realize synergies.

For the three and six months ended June 30, 2023, the Company recognized restructuring and related charges of $2.3 million and $3.4 million, respectively, related to a restructuring plan implemented in 2022 to improve the Company's operational efficiency.

The Company also continues to recognize ongoing restructuring charges from its restructuring plans for facility-related costs, which will continue through the termination of the facility leases.

The following table summarizes the change in the Company's restructuring and other related liabilities for the six months ended June 30, 2024 (in thousands):

	Severance and other employee-related benefits[1]	Facility Costs	Other[2]	Total
Balance at December 31, 2023	$ 825	$ —	$ —	$ 825
Restructuring and related charges	8,011	1,427	595	10,033
Cash payments	(5,093)	(1,427)	(595)	(7,115)
Balance at June 30, 2024	$ 3,743	$ —	$ —	$ 3,743

(1) Restructuring liabilities are recorded in accrued liabilities on the condensed consolidated balance sheets. Substantially all severance and other employee-related benefits related to ongoing benefit arrangements and were recorded pursuant to ASC 712.

(2) Other restructuring liabilities are comprised mainly of sublease commissions and are recorded in other accrued liabilities on the condensed consolidated balance sheets.

The Company's restructuring and related charges by segment and corporate were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Restructuring:				
Proteomics	$ —	$ 287	$ —	$ 478
Genomics	—	151	—	559
Corporate expenses	5,749	1,829	10,033	2,380
Total restructuring and related charges	$ 5,749	$ 2,267	$ 10,033	$ 3,417

17. Related Parties

In connection with the Merger, Eli Casdin, a member of the Company's board of directors and the Company's principal stockholder, and the former principal stockholder of SomaLogic, was issued 3,807 shares of common stock, 3,807 restricted stock units vesting in equal annual installments beginning on March 17, 2024, and 144,088 options in exchange for his shares of SomaLogic Common Stock and SomaLogic equity awards. In addition, Casdin Partners Master Fund, L.P. and Casdin Private Growth Equity Fund, L.P. received 11,246,525 and 2,744,219 shares of common stock, respectively, in exchange for their shares of SomaLogic Common Stock, which shares may be deemed to be indirectly beneficially owned by Mr. Casdin. Additionally, in connection with the Merger, warrants held by CMLS Holdings II LLC ("CMLS LLC") converted into the right to receive, upon exercise of such warrants, 4,824,802 shares of the Company's common stock and CMLS LLC also received 7,548,000 shares of common stock in exchange for its SomaLogic Common Stock, all of which may be deemed to be indirectly beneficially owned by Mr. Casdin. In total, Mr. Casdin may be deemed

to have beneficially received 26,515,248 shares of common stock in the Merger, including the shares of the Company's common stock issuable upon the vesting of RSUs and exercise of options and warrants.

On March 18, 2024, Casdin and its affiliates entered into the Exchange Agreement with the Company whereby all of the outstanding shares of the Series B-1 Preferred Stock held by Casdin and its affiliates were converted into an aggregate of 46,465,458 shares of the Company's common stock.

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

You should read the following discussion and analysis of our financial condition and results of operations together with the unaudited financial information and the notes thereto included appearing elsewhere in this Quarterly Report on Form 10-Q, and the audited financial information and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on March 1, 2024 (the "Annual Report"). Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of our Annual Report, our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "Standard BioTools" the "Company," "we," "us," and "our" refer to Standard BioTools Inc. and its subsidiaries.

Overview

Standard BioTools Inc. is driven by a bold purpose – unleashing tools to accelerate breakthroughs in human health. We have an established portfolio of essential, standardized next-generation high resolution technologies that assist biomedical researchers develop medicines faster and better. Our tools are designed to provide reliable and repeatable insights in health and disease using our proprietary mass cytometry and microfluidics technologies, which are useful in proteomics and genomics that help transform scientific discoveries into better patient outcomes. We work with leading academic, government, pharmaceutical, biotechnology, plant and animal research, and clinical laboratories worldwide, focusing on the most pressing needs in translational and clinical research, including oncology, immunology, and immunotherapy.

We distribute our systems through our direct sales force and support organizations located in North America, Europe, and Asia-Pacific, and through distributors or sales agents in several European, Latin American, Middle Eastern, and Asia-Pacific countries. Our manufacturing operations are located in Singapore and Canada.

On January 5, 2024, we completed a merger (the "Merger") with SomaLogic, Inc. ("SomaLogic"), creating a leading provider of differentiated multi-omics tools for research.

Recent Developments

Our leadership team identified three strategic priorities: revenue growth, improving operating discipline and strategic capital allocation, as more fully discussed in Part I Item 1 "Business" in our Annual Report.

Series B Redeemable Preferred Stock

On March 18, 2024, we entered into an exchange agreement (the "Exchange Agreement") with Casdin Private Growth Equity Fund II, L.P. and Casdin Partners Master Fund, L.P. (together, "Casdin"), and Viking Global Opportunities Illiquid Investments Sub Master LP and Viking Global Opportunities Drawdown LP (together, "Viking" and, collectively with Casdin, the "Investors"). Pursuant to the Exchange Agreement, the Investors exchanged (the "Exchange") an aggregate of (i) 127,780 shares of Series B-1 Convertible Preferred Stock, par value $0.001 per share (the "Series B-1 Preferred Stock"), and (ii) 127,779 shares of Series B-2 Convertible Preferred Stock, par value $0.001 per share (the "Series B-2 Preferred Stock" and, together with the Series B-1 Preferred Stock, the "Series B Preferred Stock"), representing all of the outstanding shares of Series B Preferred Stock, for an aggregate of 92,930,553 shares of our common stock. The Exchange was completed on March 18, 2024. Following the closing of the Exchange, no shares of Series B Preferred Stock remained outstanding as of June 30, 2024, and we had no amounts recorded in mezzanine equity.

The Exchange was determined to be an induced conversion due a reduction in the original conversion price. The excess of the fair value of the common stock issued over the fair value of shares issuable under original terms represents an in-substance distribution to the Investors, and increased our net loss per share.

Merger

On January 5, 2024, we completed the Merger pursuant to an Agreement and Plan of Merger, dated as of October 4, 2023 (the "Merger Agreement"), by and among us, SomaLogic and Martis Merger Sub, Inc. ("Merger Sub"), pursuant to which Merger Sub merged with and into SomaLogic, with SomaLogic surviving as a wholly owned subsidiary of Standard BioTools. Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of SomaLogic common stock, par value $0.0001 per share (the "SomaLogic Common Stock"), converted into the right to receive 1.11 shares of our common stock.

In addition, as of the Effective Time, we assumed each SomaLogic stock incentive plan, outstanding option to purchase shares of SomaLogic Common Stock and outstanding RSUs, whether vested or unvested. In addition, as of the Effective Time, each SomaLogic warrant was treated in accordance with its terms.

Factors Affecting Our Performance

The following factors have been important to our business and we expect them to impact our results of operations and financial condition in future periods:

- Continued adoption of our services and products:
  - We have a well-established base of marquee customer and key opinion leader ("KOL") relationships in place, and as we grow further, we expect to win contracts with new customers and expand the scope of existing contracts with existing customers.
  - We continue to focus on growth in instrument placements, including the SomaScan® certified sites ("Certified Sites") program, which we expect to drive future growth in sales of consumables, SomaScan® assay kits, and instrument support services.
  - We continue to enhance our proteomics offering through continuous improvements to our proteomics instruments, and the commercial release of the LabThread SLX, which is a fully integrated system optimized for running the SomaScan® assay.
  - Total revenue may vary from period to period based on, among other things, the timing and size of new contracts, fluctuations in customer consumption of and adoption trends, ramp time and productivity of our salesforce, the impact of significant transactions, and seasonality. Failure to effectively develop and expand our sales and marketing capabilities or improve the productivity of our sales and marketing organization could harm our ability to expand our potential customer and sales pipeline, increase our customer base, and achieve broader market acceptance of our offering.
- Continued investment in growth:
  - We continue to invest significantly in our laboratory process and commercial infrastructure.
  - Investments in research and development will include hiring of employees with the necessary scientific and technical backgrounds to enable enhancements to our existing services and products and bring new services and products to market.
- Ability to lower operating costs:
  - As we integrate with SomaLogic, we continue to focus on improving operating discipline through implementation of lean Standard BioTools Business System principles to build more efficient operations and reduce costs.
  - We intend to reduce the cost of manufacturing SOMAmer® reagents by, in part, modifying our assays and laboratory processes to use materials and technologies that provide equal or greater quality at lower cost, improving how we manage our materials and negotiating favorable terms for our materials purchases.
  - We intend to reduce the cost of performing the SomaScan® assay as we move to either a less expensive array or NGS system for our DNA readout of the protein concentrations present in a sample.
  - We expect general and administrative expenses to trend downward during the second half of 2024 as we reduce headcount and realize synergies from the Merger.
- Seasonality:
  - Our revenue can be seasonal dependent upon the procurement and budgeting cycles of many of our customers, especially government- or grant-funded customers, whose cycles often coincide with government fiscal year ends.
- Expansion of our proteomic content:
  - To maintain our competitive advantage in the proteomics market, we plan to increase the number of protein reagents for commercial availability based on allocated funding, resource availability, and the successful validation of new reagents.
  - We continue to expand our proteomics database and artificial intelligence and machine learning analytics to drive value and market opportunities.

Financial Operations Overview

Revenue

We generate our revenue from three primary sources: (1) product revenue, (2) assay services revenue, and (3) instrument support service revenues. We also derive revenue from collaborative arrangements, license agreements, grants, and royalties. Customers include top biopharmaceutical companies and leading academic research universities.

Product revenue

We generate product revenue from the sale of instruments, consumables, SomaScan® assay kits and other related items. Consumables revenue is largely driven by the size of our active installed base of instruments and the level of usage per instrument. SomaScan® assay kit sales is largely driven by the number of active SomaScan® Certified Sites.

Assay services revenue

We generate assay services revenue primarily from the sale of SomaScan® services. SomaScan® service revenue is derived from performing the SomaScan® assay on customer samples to generate data on protein biomarkers. We expect assay services revenue to increase over the long-term with new and recurring sales opportunities. With the enhancement of our proteomic services, we expect to capture more market opportunities outside of the United States region, as well as winning contracts with new customers and expanding the scope of sales with existing customers.

Instrument support service revenue

Instrument support service revenue primarily consists of post-warranty service contracts, preventive maintenance plans, installation and training for our instruments. We expect the average selling prices of our products and services to fluctuate over time based on market conditions, product mix and currency fluctuations.

Collaboration and other revenue

Collaboration and other revenue consists of fees earned for research and development services, except for grant revenue research and development services that are classified in other revenue. We believe expanding collaborative arrangements with KOLs will allow for further enhancements of our integrated platform, lower barriers to adoption and introduce or expand new market channels and customers within geographic regions and markets we do not currently operate in.

Cost of Revenue

Cost of product revenue

Cost of product revenue consists primarily of raw materials, equipment and production costs, salaries and other personnel costs, overhead and other direct costs related to product revenue. In addition, cost of product revenue includes amortization of developed technology, royalty costs for licensed technologies included in our products, warranty costs, provisions for excess and obsolete inventory, and stock-based compensation expense, and shipping and handling costs. Cost of product revenue is recognized in the period the related revenue is recognized. Shipping and handling costs incurred for product shipments are included in cost of product revenue in the condensed consolidated statements of operations and comprehensive loss. Our cost of product revenue and related product margin may fluctuate depending on the capacity utilization of our manufacturing facilities in response to market conditions and the demand for our products.

Cost of service revenue

Cost of service revenue consists of raw materials and production costs, personnel-related costs, overhead and other direct costs. It also includes costs for production variances for SOMAmer® reagents, such as yield losses, material usages, spending and capacity variances. Cost of service revenue is recognized in the period the related revenue is recognized.

Our cost of service revenue and related service margin may fluctuate depending on the variability in material and labor costs of servicing.

Research and Development ("R&D")

R&D expenses consist primarily of personnel-related costs related to enhancing our technologies and supporting development and commercialization of new and existing products and services. R&D expenses also consist of laboratory supply costs, clinical study

costs, consulting fees, and other allocated overhead expenses. We plan to continue to invest significantly in our R&D efforts, including hiring additional employees, with an expected focus on advancing our proteomics products and services. As a result, we expect R&D expenses will increase in absolute dollars in future periods and vary from period to period as a percentage of revenue.

Selling, General, and Administrative ("SG&A")

SG&A expenses consist primarily of personnel-related costs for our sales and marketing, business development, finance, legal, human resources, information technology and general management teams, as well as professional services, including legal and accounting services.

Restructuring and Related Charges

Restructuring and related charges primarily consist of severance costs related to our recent reduction-in-force and facilities costs for floors we have subleased or have the intent to sublease (net of sublease income) under our facility lease in South San Francisco. These costs, including a reduction-in-force, are incurred to improve operational efficiency, achieve cost savings and align our workforce to the future needs of the business. In addition to the reduction-in-force, we are reducing leased office space, optimizing our manufacturing footprint and streamlining support functions.

Transaction and Integration Expenses

Transaction and integration expenses consist of costs incurred in connection with the Merger, including legal, advisory, accounting and other transaction-related costs including integration costs. We expect to continue incurring these costs throughout the fiscal year ending December 31, 2024.

Bargain Purchase Gain

Bargain purchase gain represents the excess of fair value of the assets acquired and liabilities assumed over the fair value of the consideration transferred in connection with the Merger. We determined that the bargain purchase gain was primarily attributable to a rapid decline in our stock price in the days following the announcement of the Merger, which persisted through the close of the Merger.

Results of Operations

The following table presents our unaudited condensed consolidated statements of operations and as a percentage of total revenue for the three and six months ended June 30, 2024 and 2023 ($ in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
Revenue	$ 37,205	100 %	$ 27,666	100 %	$ 82,745	100 %	$ 52,785	100 %
Cost of revenue:								
Cost of product revenue	12,202	33 %	11,883	43 %	24,983	30 %	21,873	41 %
Cost of services revenue	10,070	27 %	2,181	8 %	18,579	22 %	4,973	9 %
Cost of collaboration and other revenue	25	0 %	—	— %	87	0 %	56	0 %
Total cost of revenue	22,297	60 %	14,064	51 %	43,649	53 %	26,902	50 %
Gross profit	14,908	40 %	13,602	49 %	39,096	47 %	25,883	49 %
Operating expenses:								
Research and development	19,222	52 %	6,184	22 %	35,202	43 %	12,613	24 %
Selling, general and administrative	37,674	101 %	22,600	82 %	84,617	102 %	43,895	83 %
Restructuring and related charges	5,749	15 %	2,267	8 %	10,033	12 %	3,417	6 %
Transaction and integration expenses	2,782	7 %	—	— %	19,945	24 %	—	— %
Total operating expenses	65,427	176 %	31,051	112 %	149,797	181 %	59,925	113 %
Loss from operations	(50,519)	(136)%	(17,449)	(63)%	(110,701)	(134)%	(34,042)	(64)%
Bargain purchase gain					25,213	30 %	—	— %
Interest income, net	4,444	12 %	244	1 %	9,618	12 %	316	1 %
Other expense, net	412	1 %	466	2 %	(1,822)	(2)%	407	1 %
Loss before income taxes	(45,663)	(123)%	(16,739)	(60)%	(77,692)	(94)%	(33,319)	(63)%
Income tax benefit (expense)	(55)	(0)%	(301)	(1)%	(183)	(0)%	(564)	(1)%
Net loss	$ (45,718)	(123)%	$ (17,040)	(61)%	$ (77,875)	(94)%	$ (33,883)	(64)%

Revenue

Revenue by product type and as a percentage of total revenue were as follows ($ in thousands):

	Three Months Ended June 30,				Year-over-Year Change	Six Months Ended June 30,				Year-over-Year Change
	2024		2023			2024		2023		
Product revenue:										
Instruments	$ 7,047	19%	$ 11,587	42%	(39)%	$ 11,950	15%	$ 17,510	33%	(32)%
Consumables	8,847	24%	10,078	36%	(12)%	19,258	23%	21,593	41%	(11)%
SomaScan assay kits and related	6,269	17%	—	0%	N/A	14,547	18%	-	0%	N/A
Total product revenue	22,163	60%	21,665	78%	2%	45,755	56%	39,103	74%	17%
Service revenue:										
Assay services	7,680	21%	—	0%	N/A	22,542	27%	-	0%	N/A
Instrument support services	6,373	17%	5,821	21%	9%	12,538	15%	12,702	24%	(1)%
Total service revenue	14,053	38%	5,821	21%	141%	35,080	42%	12,702	24%	176%
Collaboration and other revenue	989	3%	180	1%	449%	1,910	2%	980	2%	95%
Total revenue	$ 37,205	100%	$ 27,666	100%	34%	$ 82,745	100%	$ 52,785	100%	57%

Total revenue grew 34% to $37.2 million for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and grew 57% to $82.7 million for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. Due to the acquisition of SomaLogic, revenue increased by $14.7 million and $38.6 million for the three and six months ended June 30, 2024, respectively, compared to the same periods in 2023. These increases were offset by decreases of $5.2 million and $8.6 million in revenues from our legacy business for the three and six months ended June 30, 2024, respectively, compared to the same periods in 2023.

Revenue by segment and as a percentage of total revenue were as follows ($ in thousands):

	Three Months Ended June 30,				Year-over-Year Change	Six Months Ended June 30,				Year-over-Year Change
	2024		2023			2024		2023		
Proteomics revenue	$ 28,209	76%	$ 18,088	65%	56%	$ 64,389	78%	$ 33,288	63%	93%
Genomics revenue	8,996	24%	9,578	35%	(6)%	18,356	22%	19,497	37%	(6)%
Total revenue	$ 37,205	100%	$ 27,666	100%	34%	$ 82,745	100%	$ 52,785	100%	57%

Total proteomics revenue grew 56% for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and grew 93% for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. Our growth in proteomics was driven by the acquisition of SomaLogic, which expanded our proteomics capabilities, products and services.

Total genomics revenue decreased 6% for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and decreased 6% for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The continued decline in the genomics segment was anticipated, and is a driver of our continued focus on growing the OEM business and managing this segment to sustainable positive contribution margin in the near-term.

Cost of Revenue

Cost of revenue, gross profit, and gross margin were as follows ($ in thousands):

	Three Months Ended June 30,		Year-over-Year Change	Six Months Ended June 30,		Year-over-Year Change
	2024	2023		2024	2023	
Cost of product revenue	$ 12,202	$ 11,883	3 %	$ 24,983	$ 21,873	14 %
Cost of service revenue	10,070	2,181	362 %	18,579	4,973	274 %
Cost of collaboration and other revenue	25	—	N/A	87	56	55 %
Total cost of revenue	$ 22,297	$ 14,064	59 %	$ 43,649	$ 26,902	62 %
Gross profit	$ 14,908	$ 13,602	10 %	$ 39,096	$ 25,883	51 %
Gross margin	40.1 %	49.2 %	(9.1)%	47.2 %	49.0 %	(1.8)%

Gross profit increased by $1.3 million, or 10%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and increased by $13.2 million, or 51%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The increase in gross profit during the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily attributable to the impact from the Merger in the first quarter of 2024 which resulted in increased revenue.

Operating Expenses

Operating expenses were as follows ($ in thousands):

	Three Months Ended June 30,		Year-over-Year Change	Six Months Ended June 30,		Year-over-Year Change
	2024	2023		2024	2023	
Research and development	$ 19,222	$ 6,184	211 %	$ 35,202	$ 12,613	179 %
Selling, general and administrative	37,674	22,600	67 %	84,617	43,895	93 %
Restructuring and related charges	5,749	2,267	154 %	10,033	3,417	194 %
Transaction and integration expenses	2,782	—	N/A	19,945	—	N/A
Total operating expenses	$ 65,427	$ 31,051	111 %	$ 149,797	$ 59,925	150 %

Research and Development

R&D expense increased by $13.0 million, or 211%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and increased by $22.6 million, or 179%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. The increase was primarily due to the impact of the Merger in the first quarter of 2024, which included increased salaries and benefits expense and stock based compensation expense due to the expanded global workforce headcount.

Selling, General and Administrative

SG&A expense increased by $15.1 million, or 67%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and increased by $40.7 million, or 93%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023. The increase was primarily attributable to the impact of the Merger in the first quarter of 2024, which included increased salaries and benefits expense and stock based compensation expense due to the expanded global workforce headcount.

Restructuring and Related Charges

Restructuring and related charges consisted of the following (in thousands):

	Three Months Ended June 30,		Year-over-Year Change	Six Months Ended June 30,		Year-over-Year Change
	2024	2023		2024	2023	
Severance and other termination benefits	$ 4,625	$ 1,054	339 %	$ 8,011	$ 1,346	495 %
Facilities and other	1,124	1,213	(7)%	2,022	2,071	(2)%
Total restructuring and related charges	$ 5,749	$ 2,267	154 %	$ 10,033	$ 3,417	194 %

Restructuring and related charges increased by $3.5 million for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and increased by $6.6 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023, driven by increased severance and termination benefits in connection with reductions in headcount following the Merger.

Transaction and Integration Expenses

Transaction and integration expenses increased by $2.8 million for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, and increased by $19.9 million for the six months ended June 30, 2024, compared to the same period in 2023. The increase was due to legal, advisory, accounting costs, and integration expenses incurred in connection with the Merger. The Company expects to incur additional integration costs in the future.

Bargain purchase gain

Bargain purchase gain increased by $25.2 million for the six months ended June 30, 2024, compared to the same period in 2023. The increase for the six months ended June 30, 2024 was due to the consummation of the Merger in January 2024, which resulted in the fair value of assets acquired and liabilities assumed from the Merger exceeding the fair value of the consideration transferred due to a decline in our stock price following the announcement of the Merger Agreement.

Interest Income, net

The increase in other income, net of $4.2 million and $9.3 million for the three and six months ended June 30, 2024, respectively, compared to the same period in 2023, was primarily due to the interest earned on increased balances of money market funds and short-term investments and higher interest rates, as well as a decrease in interest expense due to repayment of our term loan in March 2024. Money market funds balances and short-term investments increased as a result of the Merger with SomaLogic.

Income Tax Expense

We recorded income tax expense of $0.1 million and $0.3 million in the three months ended June 30, 2024 and 2023, respectively, and income tax expense of $0.2 million and $0.6 million in the six months ended June 30, 2024 and 2023, respectively. The decrease in our tax provision reflects the effect of our foreign operations, which reported lower pre-tax income in the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

Our effective tax rates for both periods differ from the 21% U.S. Federal statutory tax rate primarily due to valuation allowances recorded against deferred tax assets on domestic losses and the tax rate differences between the United States and foreign countries.

Liquidity and Capital Resources

We have experienced operating losses since inception and have an accumulated deficit of $1,124.6 million as of June 30, 2024. To date, we have funded our operating losses primarily through equity offerings, term loans, convertible notes and redeemable preferred stock. Our ability to fund future operations and meet debt covenant requirements will depend upon our level of future revenue and operating cash flow and our ability to access additional funding through either equity offerings, issuances of debt instruments or both.

Our liquidity and capital requirements depend upon many factors, including market acceptance of our products and services; effectiveness of our business improvement initiatives and restructuring programs; costs of supporting sales growth, product quality, R&D and capital expenditures, including our ERP upgrade; and costs and timing of acquiring other businesses, assets or technologies.

We continually evaluate our liquidity requirements considering our operating needs, growth initiatives and capital resources. We expect that our existing liquidity and sources of capital will be sufficient to support our operations for at least the next 12 months from the filing date of this Quarterly Report on Form 10-Q.

Sources of Liquidity

Our principal sources of liquidity are cash, cash equivalents and short-term investments. Our collective balances of cash, cash equivalents and short-term investments were $394.7 million at June 30, 2024 and $114.9 million at December 31, 2023.

Capital Resources and Commitments

We enter into arrangements that serve as sources of capital and the associated contractual agreements may result in firm or contingent obligations of us. In addition to our common stockholders' equity, our sources of capital primarily include debt and operating leases. Our operating lease arrangements require cash repayment and our convertible debt that matures on December 1, 2024 contains rights that may result in their conversion to our common stock prior to maturity. On March 4, 2024, we fully repaid all outstanding indebtedness owed pursuant to the Term Loan Facility and terminated the agreement.

We also enter into contractual and legally binding commitments to purchase goods. Most of these contracts are cancellable with little or no notice or penalty. However, once a vendor has incurred costs to fulfill a contract with us, and which costs cannot be otherwise deployed, we are liable for those costs upon cancellation.

Following the Merger, we assumed additional cash commitments, including a requirement under the agreement originally entered into by SomaLogic with Illumina Cambridge, Ltd. in December 2021, to engage with two contract manufacturing organizations in order to ensure manufacturing capacity. Specifically, we assumed minimum annual purchase commitments of $2.3 million with Integrated DNA Technologies, Inc. ("IDT") who is contracted to manufacture custom products. As the minimum contract term is three years, our total purchase commitment related to the agreement is $6.9 million. As of June 30, 2024, we have not yet began placing orders under the agreement with IDT.

The terms and provisions of our debt and leases are more fully discussed in Notes 6 and 7 respectively, in the unaudited condensed consolidated financial statements.

Cash Flow Activity

Our cash flow summary was as follows ($ in thousands):

	Six Months Ended June 30,	
	2024	2023
Cash flow summary:		
Net cash used in operating activities	$ (101,526)	$ (17,814)
Net cash provided by investing activities	368,331	83,280
Net cash used in financing activities	(48,094)	(4,642)
Effect of foreign exchange rate fluctuations on cash and cash equivalents	(110)	(49)
Net increase in cash, cash equivalents and restricted cash	$ 218,601	$ 60,775

We derive cash flows from operations primarily by collecting amounts due from sales of our products and services, and fees earned under our product development and license agreements. Our cash flows from operating activities are also significantly influenced by our use of cash for operating expenses and working capital to support the business. We have historically experienced negative cash flows from operating activities as we have expanded our business and built our infrastructure, domestically and internationally.

In the six months ended June 30, 2024, we used $91.0 million of net proceeds from the sales and maturities of short-term investments to help fund $101.5 million of net cash used in operating activities, $40.5 million of common stock repurchases, and $8.2 million of repayment of term loan and convertible notes.

In the six months ended June 30, 2023, we used $85.1 million of net proceeds from the sales and maturities of short-term investments to help fund $17.8 million of net cash used in operating activities, $4.8 million of common stock repurchases, and a $60.8 million increase in cash and cash equivalents.

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2024 increased by $83.7 million compared to the same period in 2023. The increase is primarily driven by the impact of the Merger, reflecting expanded global operations, as well as significant transaction, integration, and restructuring costs.

Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2024 was $368.3 million compared to $83.3 million used in the six months ended June 30, 2023. The six months ended June 30, 2024 primarily reflects $280.0 million of cash and restricted cash acquired in the Merger, and $91.0 million of proceeds from sales and maturities of short-term investments, net of purchases. The six months ended June 30, 2023 primarily reflects $85.1 million of proceeds from sales and maturities of short-term investments, net of purchases.

Financing Activities

Financing activities used cash of $48.1 million for the six months ended June 30, 2024 compared to $4.6 million for the six months ended June 30, 2023. The changes in cash from financing activities during the six months ended June 30, 2024 primarily reflect $40.5 million of common stock share repurchases, and $8.2 million of repayment of term loan and convertible notes in the six months ended June 30, 2024. The changes in cash from financing activities during the six months ended June 30, 2023 primarily reflect $4.8 million of common stock share repurchases.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations are based on our unaudited condensed consolidated financial statements and related notes, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires the use of estimates and assumptions to determine the value of the assets, liabilities, revenues and expenses reported on the condensed consolidated balance sheets and statements of operations. We develop these estimates after considering historical transactions, the current economic environment and various other assumptions considered reasonable under the circumstances. Actual results may differ materially from these estimates and judgments. Accounts that rely heavily on estimated information to determine their values include revenue, trade receivables, inventories, right-of-use assets, goodwill, long-lived intangible assets, lease liabilities, income tax liabilities (assets) and preferred equity. Refer to Item 7 in our Annual Report for additional information regarding our critical accounting policies and estimates.

There have been no significant changes to our significant accounting policies described in our Annual Report, other than as disclosed in Note 1 to our accompanying financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

From time to time, new accounting standards are issued by the Financial Accounting Standards Board or other standard setting bodies and adopted by us as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on the Company's financial position or results of operations upon adoption.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding

required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2024, our CEO and CFO concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the six months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Control systems, no matter how well conceived and operated, are designed to provide a reasonable, but not an absolute, level of assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in any control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to certain legal proceedings is included in Note 8 to the Condensed Consolidated Financial Statements (Unaudited) in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves numerous uncertainties and risks. You should carefully consider the risk factors discussed in Part I Item 1A "Risk Factors" in our Annual Report, which could materially affect our business, financial condition or results of operations. The risks in our Annual Report are not the only ones we face. Our business is also subject to the risks that affect many other companies, such as employee relations, general economic conditions, global geopolitical events and international operations. Further, additional risks not currently known to us or that we currently believe are immaterial may in the future materially and adversely affect our business, operations, liquidity and stock price. If any of these risks occur, our business, results of operations or financial condition could suffer, the trading price of our securities could decline and you may lose all or part of your investment.

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

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Issuer Purchases of Equity Securities

On February 6, 2024, our board of directors authorized a share repurchase program (the "2024 Share Repurchase Program") pursuant to which we may repurchase up to $50.0 million of shares of our common stock in the open market, in one or more Rule 10b5-1 trading plans, or in negotiated transactions through March 1, 2026. The repurchases are contingent upon favorable market and business conditions and are funded by cash on hand. The program does not obligate us to acquire any specific number of shares. As of June 30, 2024, we have repurchased 13,603,617 shares of our common stock under the 2024 Share Repurchase Program.

The following table provides monthly information with respect to the shares of common stock repurchased by us during the three months ended June 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
April 1-30, 2024	7,595,104	$ 2.66	7,595,104	$18.8 million
May 1-31, 2024	3,733,943	$ 2.47	1,889,027	$14.0 million
June 1-30, 2024	—	$ —	—	$14.0 million

[1] Average price paid per share includes commission fees.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

10b5-1 Trading Arrangements

From time to time, our officers (as defined in Rule 16a-1(f) of the Exchange Act) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as each such term is defined in Item 408 of Regulation S-K). During the six months ended June 30, 2024, none of our officers or directors adopted, modified or terminated any such trading arrangements.

Item 6. Exhibits

The documents listed in the Exhibit List, which follows below, are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT LIST

Exhibit Number	Description	Incorporated by Reference From Form	Incorporated by Reference From Exhibit Number	Date Filed
3.1	Eighth Amended and Restated Certificate of Incorporation of Standard BioTools filed on February 15, 2011.	10-K	3.1	3/28/2011
3.2	Amended and Restated Bylaws of Standard BioTools Inc.	S-8	4.8	4/1/2022
3.3	Certificate of Amendment to the Eighth Amended and Restated Certificate of Incorporation of Standard BioTools, Inc., as filed on April 1, 2022.	S-8	4.3	4/1/2022
3.4	Second Certificate of Amendment to the Eighth Amended and Restated Certificate of Incorporation, as amended, of Standard BioTools Inc., as filed on January 4, 2024.	8-K	3.1	1/5/2024
10.1#	Standard BioTools Inc. Amended and Restated 2011 Equity Incentive Plan, as Amended.	8-K	10.1	7/1/2024
10.2#	Standard BioTools Inc. Nonemployee Director Compensation Policy.	Filed herewith		
31.1	Certification Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer.	Filed herewith		
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer.	Filed herewith		
32.1(1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer.	Filed herewith		
32.2(1)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer.	Filed herewith		
101.INS	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document	Filed herewith		
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	Filed herewith		
104	Cover page formatted as Inline XBRL and contained in Exhibit 101	Filed herewith		

Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

(1) In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 33-8238 and 34-47986, Final Rule: Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.

SIGNATURES

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

STANDARD BIOTOOLS INC.

Dated: August 6, 2024

By: /s/ Michael Egholm, Ph.D.

Michael Egholm, Ph.D.
Chief Executive Officer and President
(Principal Executive Officer)

Dated: August 6, 2024

By: /s/ Jeffrey Black

Jeffrey Black
Chief Financial Officer
(Principal Accounting and Financial Officer)

Exhibit 10.2

STANDARD BIOTOOLS INC.

NONEMPLOYEE DIRECTOR COMPENSATION POLICY

(Adopted April 25, 2024)

The Board of Directors of Standard BioTools Inc. (the "Company") has approved the following Nonemployee Director Compensation Policy (this "Policy") to provide an inducement to obtain and retain the services of qualified persons to serve as members of the Company's Board of Directors. The Policy establishes compensation to be paid to nonemployee directors of the Company.

Applicable Persons

This Policy shall apply to each director of the Company who is not an employee of the Company or any Affiliate (each, an "Outside Director"). "Affiliate" shall mean an entity which is a direct or indirect parent or subsidiary of the Company, as determined pursuant to Section 424 of the Internal Revenue Code of 1986, as amended.

Compensation

A. Equity Grants

1. Annual Grants

Each Outside Director shall be granted, automatically and without any action on the part of the Board of Directors, under the Company's Amended and Restated 2011 Equity Incentive Plan or a successor plan (the "Equity Plan") each year beginning in 2024 on the first business day after the Company's annual meeting of stockholders, (i) a number of non-qualified stock options ("Options") to purchase shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), having an aggregate grant date fair value of $100,000, valued based on a Black Scholes valuation method (rounded to the nearest whole share) (the "Annual Option Award"), and (ii) a number of restricted stock units (the "RSUs") having an aggregate grant date fair value of $100,000, determined by dividing (A) $100,000 by (B) the average closing price of the Common Stock on The Nasdaq Global Select Market for the 30-trading day period ending on the trading day prior to the date of grant (rounded to the nearest whole share), (the "Annual RSU Award," and together with the Annual Option Award, the "Annual Grant"); provided, however, that an Outside Director who receives an Initial Grant (as defined below) at any annual meeting of the stockholders will not also receive an Annual Grant on that date.

2. Initial Grants for Newly Appointed or Elected Directors

Each new Outside Director shall be granted, automatically and without any action on the part of the Board of Directors, under the Equity Plan, a number of Options to purchase shares of Common Stock having an aggregate grant date fair value of $350,000, valued based on a Black Scholes valuation method (rounded to the nearest whole share), on the first business day after the date that the Outside Director is first appointed or elected to the Board of Directors (the "Initial Grant"); provided, however, that a director who is an employee (an "Inside Director") who ceases to be an Inside Director, but who remains a director, will not receive an Initial Grant.

3. Annual Chairperson Award

The Chairperson of the Board of Directors will be granted a number of Options to purchase shares of Common Stock having an aggregate grant date fair value of $50,000, valued based on a Black Scholes valuation method (rounded to the nearest whole share) for chairmanship, in addition to the Annual Grant, each year beginning in 2024 on the first business day after the Company's annual meeting of stockholders (the "Annual Chairperson Award," and, together with the Annual Grant and the Initial Grant, the "Outside Director Grants).

4. Terms of Outside Director Grants

Unless otherwise specified by the Board of Directors or the Human Capital Committee of the Board of Directors (the "Human Capital Committee") at the time of grant, each Outside Director Grant shall: (i) vest, in the case of (A) an Annual Option Award and Annual Chairperson Award, in equal monthly installments over the twelve months following the date of grant, subject to the Outside Director's or Chairperson's continued service on the Board of Directors or as Chairperson, on the applicable vesting date, as applicable, (B) an Annual RSU Award, on the earlier to occur of (x) one day prior to the date of the Company's next annual meeting of stockholders held after the date of grant or (y) the anniversary of the date of grant, in each case, subject to the Outside Director's continued service on the Board of Directors through the applicable vesting date, (C) an Initial Grant, in equal annual installments over four years on each anniversary of the date of grant, subject to the Outside Director's continued service on the Board of Directors on the applicable vesting dates; and (ii) be granted under the Company's standard form of agreement unless on or prior to the date of grant the Board of Directors or the Human Capital Committee shall determine that other terms or conditions shall be applicable. Notwithstanding the foregoing, in the event of a Change in Control (as defined in the Equity Plan), all outstanding Options and RSUs held by an Outside Director will become 100% fully vested as of the closing of the Change in Control.

B. Cash Fees

1. Annual Cash Fees

Each Outside Director will receive an annual cash retainer fee in the amount of $50,000, and the following additional annual cash fees shall be paid to the Outside Directors serving as the Chairperson of the Board of Directors and on the Audit Committee, Human Capital Committee and Nominating and Governance Committee ("collectively, the "Committees"), as applicable (collectively, the "Annual Fees").

Board of Directors or Committee of Board of Directors		Annual Retainer Amount for Chair		Annual Retainer Amount for Other Members
Board of Directors (additional Chairperson retainer)	$	50,000	$	-
Audit Committee	$	10,000	$	10,000
Human Capital Committee	$	8,000	$	7,000
Nominating and Governance Committee	$	5,000	$	5,000

2. Payment Terms for All Cash Fees

Annual Fees payable to Outside Directors shall be paid quarterly in arrears as soon as practicable following the last business day of each fiscal quarter, prorated for the number of days during which he or she provided service.

Following an Outside Director's first election or appointment to the Board of Directors, such Outside Director shall receive their cash compensation prorated during the first fiscal quarter in which they were initially appointed or elected for the number of days during which they provide service. If an Outside Director dies, resigns or is removed during any quarter, they shall be entitled to a cash payment on a prorated basis through their last day of service that shall be paid as soon as practicable following the last business day of the fiscal quarter.

Expenses

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Outside Director shall be reimbursed for their reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board of Directors and Committees thereof or in connection with other business related to the Board of Directors. Each Outside Director shall abide by the Company's travel and other expense policies applicable to Company personnel.

Amendments

The Human Capital Committee or the Board of Directors shall review this Policy from time to time to assess whether any amendments in the type and amount of compensation provided herein should be adjusted in order to fulfill the objectives of this Policy.

Exhibit 31.1

**CERTIFICATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Egholm, Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Standard BioTools 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: August 6, 2024

By: /s/ Michael Egholm, Ph.D.
Michael Egholm, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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

I, Jeffrey Black, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Standard BioTools 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: August 6, 2024

By: /s/ Jeffrey Black
Jeffrey Black
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

I, Michael Egholm, Ph.D., the Chief Executive Officer of Standard BioTools Inc. (the "Company"), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge,

1. the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: August 6, 2024

By: /s/ Michael Egholm, Ph.D.
Michael Egholm, Ph.D.
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

I, Jeffrey Black, the Chief Financial Officer of Standard BioTools Inc. (the "Company"), certify for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge,

1. the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: August 6, 2024

By: /s/ Jeffrey Black
Jeffrey Black
Chief Financial Officer
(Principal Financial Officer)