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

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 12, 2022 (July 11, 2022)

PROKIDNEY CORP.

(Exact name of Registrant as Specified in Its Charter)

Cayman Islands	**001-40560**	**98-1586514**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

2000 Frontis Plaza Blvd. **Suite 250** **Winston-Salem, North Carolina** **(Address of Principal Executive Offices)**	**27103** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: 336 999-7029

(Former Name or Former Address, if Changed Since Last Report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A ordinary shares, $0.0001 par value per share	PROK	The Nasdaq Stock Market

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

Emerging growth company ☒

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

Introductory Note

As previously reported in the Current Report on Form 8-K filed by the registrant on July 15, 2022 (the "Original Report"), on July 11, 2022 (the "Closing Date"), ProKidney Corp. (formerly Social Capital Suvretta Holdings Corp. III ("SCS")), a Cayman Islands exempted company, consummated the previously announced Business Combination (as defined below) with ProKidney LP, a limited partnership registered under the laws of Ireland ("ProKidney"). In connection with the closing of the Business Combination, the registrant changed its name from "Social Capital Suvretta Holdings Corp. III" to "ProKidney Corp." ProKidney Corp. will continue the existing business operations of ProKidney as a publicly traded company.

As used in this Amendment No. 1 to the Current Report on Form 8-K ("Amendment No. 1"), unless otherwise stated or the context clearly indicates otherwise, the terms the "registrant," the "Company," "we," "us," and "our" refer to ProKidney Corp., and its subsidiaries at and after the Closing Date and giving effect to the consummation of the Business Combination.

This Amendment No. 1 to the Original Report is being filed solely for the purpose of amending the disclosure under Item 2.01 - Completion of Acquisition or Disposition of Assets – Form 10 Information - Management's Discussion and Analysis of Financial Condition and Results of Operations and the historical financial statements provided under Items 9.01(a) and 9.01(b) in the Original Report to include (i) Management's Discussion and Analysis of Financial Condition and Results of Operations of ProKidney for the three and six months ended June 30, 2022, (ii) the unaudited condensed consolidated financial statements of ProKidney as of and for the three and six months ended June 30, 2022, and (iii) the unaudited pro forma condensed combined financial information of SCS and ProKidney as of and for the three and six months ended June 30, 2022.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The information set forth in Exhibit 99.2 to this Amendment No. 1 is incorporated herein by reference.

Financial Statements, Supplementary Data and Exhibits

The information set forth in sections (a), (b) and (d) of Item 9.01 of this Amendment No. 1 is incorporated herein by reference

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Included as Exhibit 99.1 and incorporated herein by reference is Management's Discussion and Analysis of Financial Condition and Results of Operations of ProKidney LP and Subsidiaries for the three and six months ended June 30, 2022. The unaudited condensed consolidated financial statements of ProKidney LP and Subsidiaries, as of June 30, 2022 and for the three and six months ended June 30, 2022, and the related notes thereto are attached as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of ProKidney LP and Subsidiaries as of and for the three and six months ended June 30, 2022 is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

(d) Exhibits.

The exhibits filed as part of this Current Report on Form 8-K are listed in the index to exhibits immediately preceding the signature page to this Current Report on Form 8-K, which index to exhibits is incorporated herein by reference.

Exhibit No.	Description of Exhibit
99.1*	Management's Discussion and Analysis of Financial Condition and Results of Operations of ProKidney LP and Subsidiaries for the three and six months ended June 30, 2022.
99.2*	Unaudited Condensed Consolidated Financial Statements of ProKidney LP and Subsidiaries as of June 30, 2022 and December 31, 2021 and for the three and six months ended June 30, 2022.
99.3*	Unaudited Pro Forma Condensed Combined Financial Information of the Company as of and for the six months ended June 30, 2022.
104	Cover Page Interactive Data File (embedded within Inline XBRL document)

* Filed herewith

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.

PROKIDNEY CORP.

Date: August 12, 2022

By: /s/ James Coulston
Name: James Coulston
Title: Chief Financial Officer

Exhibit 99.1

PROKIDNEY'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of ProKidney LP (for purposes of this section, "ProKidney," "Company," "we," "us" and "our") should be read together with our unaudited condensed consolidated and combined financial statements as of and for the three and six months ended June 30, 2022 and for the three and six months ended June 30, 2021, together with the related notes thereto, included as Exhibit 99.2 to this Amendment No. 1 to the Current Report on Form 8-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Amendment No. 1 to the Current Report on Form 8-K, 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 section entitled "Risk Factors" of the definitive proxy statement on Schedule 14A filed by ProKidney Corp. (formerly Social Capital Suvretta Holdings Corp. III) with the U.S. Securities and Exchange Commission (the "SEC") on June 10, 2022, 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.

Overview

We are a clinical-stage biotechnology business with a transformative proprietary cell therapy platform capable of treating multiple chronic kidney diseases using a patient's own cells isolated from the patient intended for treatment. Our approach seeks to redefine the treatment of chronic kidney disease ("CKD"), shifting the emphasis away from management of kidney failure, to the restoration or improvement of kidney function to stop or delay progression of CKD. Our lead product candidate, which we refer to as REACT, is designed to stabilize or improve kidney function in a CKD patient's diseased kidneys. REACT is a product that includes selected renal cells ("SRCs") prepared from a patient's own, autologous, renal cells. SRCs are formulated into a product for reinto the patient's kidneys using a minimally invasive outpatient procedure that can be repeated if necessary. Because REACT is a personalized treatment composed of cells prepared from a patient's kidney, there is no need for treatment with immunosuppressive therapies, which are required during a patient's lifetime when a patient receives a kidney transplant from another, allogeneic donor.

We are currently conducting a Phase 3 development program and multiple Phase 2 clinical trials for REACT in subjects with moderate to severe diabetic kidney disease. We are also conducting a Phase 1 clinical trial for REACT in subjects with congenital anomalies of the kidney and urinary tract ("CAKUT"). REACT has been well tolerated by subjects with moderate to severe diabetic kidney disease in Phase 1 and 2 clinical testing to date. It has also been shown, in Phase 1 and 2 clinical testing, to stabilize renal function in subjects based on measurements of iohexol renal clearance and urinary albumin-to-creatinine ratio ("UACR"). REACT has received Regenerative Medicine Advanced Therapy ("RMAT") designation from the United States Food and Drug Administration (the "FDA").

Incorporated as ProKidney LLC ("ProKidney Bermuda") under the laws of Bermuda in December 2018, we were initially capitalized with $75.0 million to finance the purchase of ProKidney-KY and ProKidney-US, and to fund the clinical development of REACT. In December 2014, Tengion, Inc. ("Tengion"), whose assets were purchased in March 2015 by RegenMedTX, LLC, a predecessor to ProKidney, commenced a bankruptcy proceeding (the "Chapter 7 Case") by filing a voluntary petition for relief under the provisions of chapter 7 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). As a result of the filing of the Chapter 7 Case, a Chapter 7 trustee was appointed by the Bankruptcy Court to assume control of Tengion.

On August 5, 2021, ProKidney LP was formed as a limited partnership under the laws of Ireland, with ProKidney Bermuda becoming a wholly owned subsidiary of ProKidney LP. Any references to "ProKidney" or the "Company" following this reorganization refer to ProKidney LP.

The Business Combination

We entered into the business combination agreement, dated as of January 18, 2022 (the "Business Combination Agreement") with Social Capital Suvretta Holdings Corp. III ("SCS"), a special purpose acquisition

company, on January 18, 2022 (the "Business Combination"). Pursuant to the Business Combination Agreement, and upon the close of the transaction on July 11, 2022, SCS acquired ProKidney LP and its subsidiaries. As a result of the closing (the "Closing") of the Business Combination, SCS's name was changed to ProKidney Corp. After the Closing, the combined company is organized in an umbrella partnership-C corporation (a so called "Up-C") structure, and ProKidney Corp.'s direct assets consist of Post-Combination ProKidney Common Units and all of the issued and outstanding equity interests of ProKidney Corp. GP Limited ("New GP"), which became the general partner of ProKidney upon the Closing. Substantially all of the operating assets and business of ProKidney Corp. is held indirectly through ProKidney.

The Business Combination will be accounted for as a common control transaction in accordance with GAAP. Under the guidance in ASC 805, SCS will be treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination will be reflected as the equivalent of ProKidney issuing shares for the net assets of SCS, accompanied by a recapitalization whereby no goodwill or other intangible assets are recorded. Operations following the Business Combination will be those of ProKidney Corp. The Business Combination will have a significant impact on our future reported financial position and results as a consequence of the reverse capitalization.

The Business Combination resulted in gross proceeds of approximately $596,537,000. This amount reflects a contribution of $21,737,000 of cash held in SCS' trust account, net of redemptions, and a $574,800,000 concurrent private placement of Class A ordinary shares of the combined company, priced at $10.00 per share (the "PIPE Placement"). Upon close, these proceeds were used to repay the outstanding balance of $35,000,000 under the Company's two promissory note agreements with certain holders of its Class A Units (the "Promissory Notes") and related accrued interest. Additionally, the proceeds were used to pay those expenses previously incurred by SCS related to the business combination of approximately $21,029,000 as well as advisory and placement fees of approximately $29,389,000 incurred in connection with the PIPE Placement.

Business Impact of the COVID-19 Pandemic

The global COVID-19 pandemic continues to rapidly evolve, and we will continue to monitor the COVID-19 situation closely. To date, our financial condition and operations have not been significantly impacted by the COVID-19 pandemic. However, we cannot, at this time, predict the specific extent, duration or full impact that the COVID-19 pandemic will have on our financial condition and operations, including our ongoing and planned clinical trials. The extent of the impact of COVID-19 on our business, operations and clinical development timelines and plans remains uncertain and will depend on certain developments, including the duration and spread of the outbreak and its impact on our clinical trial enrollment, trial sites, contract research organizations ("CROs"), and other third parties with whom we do business, as well as its impact on regulatory authorities and our key scientific and management personnel. To the extent possible, we are conducting business as usual, with necessary or advisable modifications to employee travel as some of our employees are working remotely. We will continue to actively monitor the rapidly evolving situation related to COVID-19 and may take further actions that alter our operations, including those that may be required by federal, state or local authorities, or that we determine are in the best interests of our employees and other third parties with whom we do business. The development of our product candidates could be disrupted and materially adversely affected in the future by the COVID-19 pandemic. Our planned clinical trials also could be delayed due to government orders and site policies on account of the pandemic, and some patients may be unwilling or unable to travel to study sites, enroll in our trials or be unable to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services, which would delay our ability to conduct clinical trials or release clinical trial results and could delay our ability to obtain regulatory approval and commercialize REACT or any future product candidates. Furthermore, COVID-19 could affect our employees or the employees of research sites and service providers on whom we rely, including CROs, as well as those of companies with which we do business, including our suppliers, thereby disrupting our business operations. Quarantines and travel restrictions imposed by governments in the jurisdictions in which we and the companies with which we do business operate could materially impact the ability of employees to access clinical sites, laboratories, manufacturing sites and offices. These and other events resulting from the COVID-19 pandemic could disrupt, delay, or otherwise adversely impact our business.

Financial Operations Overview

Revenue

We have not generated any revenue since our inception and do not expect to generate any revenue from the sale of products in the near future, if at all. If our development efforts for REACT or any other product candidates are successful and result in marketing approval, or if we enter into collaboration or license agreements with third parties, we may generate revenue in the future from a combination of product sales or payments from such agreements.

Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred in connection with our research and development activities, including the development of REACT.

Research and development costs include:

- external research and development expenses incurred under agreements with CROs and other scientific development services;
- costs of other outside consultants, including their fees and related travel expenses;
- costs related to compliance with quality and regulatory requirements;
- costs of laboratory supplies and acquiring and developing clinical trial materials;
- payments made under third-party licensing agreements;
- personnel-related expenses, including salaries, bonuses, benefits and share-based compensation expenses, for individuals involved in research and development activities; and
- facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent, insurance and other internal operating costs.

We expense research and development costs as incurred. We recognize external development costs based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our consolidated balance sheets as prepaid clinical or as a component of total accrued expenses and other. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized, even when there is no alternative future use for the research and development. The capitalized amounts are recorded as prepaid clinical and are expensed as the related goods are delivered or the services are performed.

Research and development activities are central to our business model. We expect that our research and development expenses will increase significantly for the foreseeable future as REACT moves into later stages of clinical development.

The successful development of REACT and any product candidates we may develop in the future is highly uncertain. Therefore, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development and commercialization of any of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from the sale of REACT or potential future product candidates, if approved. This is due to the numerous risks and uncertainties associated with developing product candidates, many of which are outside of our control, including the uncertainty of:

- the timing and progress of non-clinical and clinical development activities;
- the number and scope of non-clinical and clinical programs we decide to pursue;

- our ability to maintain our current research and development programs and to establish new ones;
- establishing an appropriate safety profile;
- the number of sites and patients including clinical trials;
- the countries in which the clinical trials are conducted;
- per patient trial costs;
- successful patient enrollment in, and the initiation of, clinical trials, as well as drop out or discontinuation rates, particularly in light of the current COVID-19 pandemic environment;
- the successful completion of clinical trials with safety, tolerability and efficacy profiles that are satisfactory to the FDA and comparable foreign regulatory authorities;
- the number of trials required for regulatory approval;
- the timing, receipt and terms of any regulatory approvals from applicable regulatory authorities;
- our ability to establish new licensing or collaboration arrangements;
- the performance of our future collaborators, if any;
- establishing commercial manufacturing capabilities or making arrangements with third-party manufacturers;
- significant and changing government regulation and regulatory guidance;
- the impact of any business interruptions to our operations or to those of the third parties with whom we work, particularly in light of the current COVID-19 pandemic environment;
- obtaining, maintaining, defending and enforcing patient claims or other intellectual property rights;
- the potential benefits of REACT over other therapies;
- launching commercial sales of REACT, if approved, whether alone or in collaboration with others; and
- maintaining a continued acceptable safety profile of REACT, should it obtain regulatory approval.

Any changes in the outcome of any of these variables could mean a significant change in the costs and timing associated with the development of our product candidates. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we would be required to expend significant additional financial resources and time on the completion of clinical development. We may never obtain regulatory approval for any of our product candidates.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs, including salaries, bonuses, benefits and equity-based compensation expenses for individuals involved in our executive, finance, corporate and administrative functions, as well as expenses for outside professional services, including legal, audit, accounting and tax-related services and other consulting fees, facility-related expenses, which include depreciation costs and other allocated expenses for rent and maintenance of facilities, insurance costs, recruiting costs, travel expenses and other general administrative expenses.

We expect that our general and administrative expenses will increase significantly for the foreseeable future as our business expands and we hire additional personnel to support our operations. We also anticipate increased expenses associated with being a public company, including costs for legal, audit, accounting, investor and public relations, tax-related services, director and officer insurance, and regulatory costs related to compliance with the rules and regulations of the United States Securities and Exchange Commission (the "SEC") as well as listing standards applicable to companies listed on a national securities exchange.

Other Income (Expense)

Other income consists of interest income earned on cash and cash equivalents held in financial institutions. We expect our interest income to increase following the completion of the Business Combination as we invest the net proceeds from the Business Combination pending their use in our operations.

Income Tax (Expense) Benefit

Income tax expense reflects federal and state taxes on income earned by our subsidiary that is organized as a C corporation for U.S. income tax purposes.

Results of Operations

Comparison of Three Months Ended June 30, 2022 and 2021

The following table summarizes our results of operations for the three months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		
	2022	**2021**	**Change**
Operating expenses:			
Research and development	$ 11,558	$ 10,969	$ 589
General and administrative	9,180	1,748	7,432
Total operating expense	20,738	12,717	8,021
Loss from operations	(20,738)	(12,717)	(8,021)
Interest income	–	2	(2)
Interest expense	(170)	—	(170)
Net loss before taxes	(20,908)	(12,715)	(8,193)
Income tax expense	1,223	10	1,213
Net loss	$ (22,131)	$ (12,725)	$ (9,406)

Research and development expenses

The increase in research and development expenses of approximately $0.6 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, was primarily driven by a $1.3 million increase in cost related to equity-based compensation related to awards granted during 2022. Further, cash-based compensation costs increased by $1.1 million, driven primarily by the hiring of additional personnel. Other research and development costs related to professional fees, quality control, manufacturing improvements and depreciation have also increased by approximately $1.9 million. These costs were offset by decreases in clinical trial cost of approximately $3.9 million related primarily to decreased costs for the Phase 3 trials which were incurring start-up costs during the three-month period ended June 30, 2021.

General and administrative expenses

The increase in general and administrative expenses of approximately $7.4 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, was primarily driven by a $6.5 million increase in equity-based compensation relating to the expense for awards granted in 2022 as well as the sale of Class B-1 Units to service providers at less than their fair value. Additionally, there was a $0.7 million increase in cash-based compensation expense which was driven by the hiring of additional personnel.

Income tax expense

The increase in income tax expense of approximately $1.2 million for the three months ended June 30, 2022 as compared to the three months ended June 30, 2021, was driven primarily by the impact of a provision of the Tax Cuts and Jobs Act of 2017 (the "TCJA") which became effective for tax years beginning after December 31, 2021. This provision requires specified research and development expenses to be capitalized and amortized ratably over a

five-year period and is the primary driver of the income tax expense recognized during the three months ended June 30, 2022.

Comparison of Six Months Ended June 30, 2022 and 2021

The following table summarizes our results of operations for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,		
	2022	**2021**	**Change**
Operating expenses:			
Research and development	$ 40,048	$ 20,828	$ 19,220
General and administrative	47,152	3,492	43,660
Total operating expense	87,200	24,320	62,880
Loss from operations	(87,200)	(24,320)	(62,880)
Interest income	–	2	(2)
Interest expense	(184)	—	(184)
Net loss before taxes	(87,384)	(24,318)	(63,066)
Income tax expense	2,233	16	2,217
Net loss	$ (89,617)	$ (24,334)	$ (65,283)

Research and development expenses

The increase in research and development expenses of approximately $19.2 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, was primarily driven by a $14.1 million increase in cost related to equity-based payments for services rendered by a third-party in prior periods, as the cost of those payments was adjusted to the fair value of the awards issued upon their grant date in the six months ended June 30, 2022. Additionally, equity-based compensation costs increased approximately $4.6 million for the six months ended June 30, 2022, due to additional awards granted to employees during the period and the modification of existing awards. Further, cash-based compensation costs increased by $2.0 million, driven primarily by the hiring of additional personnel. Other research and development costs related to professional fees, quality control, manufacturing improvements and depreciation have also increased by approximately $3.5 million. These costs were offset by decreases in clinical trial cost of approximately $5.0 million related primarily to decreased costs for the Phase 3 trials which were incurring start-up costs in the six-month period ended June 30, 2021 and decreases in spending for the Phase 2 trials.

General and administrative expenses

The increase in general and administrative expenses of approximately $43.7 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, was primarily driven by a $33.0 million increase in equity-based compensation for Class B-1 Units sold at less than their fair value to employees, board members and other service providers of the Company. Additionally, there was a $8.6 million increase in equity-based compensation expense which was driven by a modification to the existing awards as well as the grant of additional awards during the six months ended June 30, 2022. Cash-based compensation has also increased by approximately $1.5 million driven by the hiring of additional personnel.

Income tax expense

The increase in income tax expense of approximately $2.2 million for the six months ended June 30, 2022 as compared to the six months ended June 30, 2021, was driven primarily by the impact of a provision of the TCJA which became effective for tax years beginning after December 31, 2021. This provision requires specified research and development expenses to be capitalized and amortized ratably over a five-year period and is the primary driver of the income tax expense recognized during the six months ended June 30, 2022.

Liquidity and Capital Resources

Sources of liquidity

Since our inception, we have not recognized any revenue and have incurred operating losses and negative cash flows from our operations. We have not yet commercialized any product and we do not expect to generate revenue from sales of any products for several years, if at all. From our inception through June 30, 2022, we funded our operations primarily through capital contributions and the Promissory Notes and received aggregate net proceeds from these transactions of $186.5 million and $35.0 million, respectively.

We expect that the net proceeds from the Business Combination, together with our existing cash and cash equivalents at June 30, 2022, will enable us to fund our operating expenses and capital expenditure requirements through 2024. We have based this estimate on assumptions that may prove to be wrong and we could exhaust our capital resources sooner than we expect.

We expect our expenses to increase substantially if, and as, we:

- initiate and continue research and clinical development of our product candidates, including in particular our clinical trials for REACT;
- incur third-party manufacturing costs to support our non-clinical studies and clinical trials of our product candidate and, if approved, its commercialization;
- seek to identify and develop additional product candidates;
- make investment in developing internal manufacturing capabilities; and
- seek regulatory and marketing approvals for our product candidates.

In addition, we expect to incur additional costs associated with operating as a public company, including significant legal, audit, accounting, investor and public relations, regulatory, tax-related, director and officer insurance premiums and other expenses that we did not incur as a private company. Developing pharmaceutical products, including conducting clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval for any product candidates or generate revenue from the sale of any product candidate for which we may obtain marketing approval. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of product that we do not expect to be commercially available for at least several years, if ever.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through the public or private sale of equity, government or private party grants, debt financings or other capital sources, including potential collaborations with other companies or other strategic transactions. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our unitholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are unable to obtain additional funding, we could be forced to delay, reduce or eliminate some or all of our research and development programs, product portfolio expansion or any commercialization efforts, which could adversely affect our business prospects, or we may be unable to continue operations. If we raise funds through strategic collaborations or other similar arrangements with third parties, we may have to relinquish valuable rights to our technology, future revenue streams, research programs or product candidates or may have to grant licenses on terms that may not be favorable to us and/or may reduce the value of our units. Our ability to raise additional funds may be adversely impacted by potential worsening global economic conditions and disruptions to and volatility in the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic or otherwise. Because of the numerous risks and uncertainties associated with product development, we cannot predict the timing or amount of increased expenses, and there is no assurance that we will ever be profitable or generate positive cash flow from operating activities.

Cash Flows

Cash Flows for the Six Months Ended June 30, 2022 and 2021

The following table provides information regarding our cash flows for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,	
	2022	**2021**
Net cash flows used in operating activities	$ (38,485)	$ (19,095)
Net cash flows used in investing activities	(1,225)	(3,393)
Net cash flows provided by financing activities	41,034	29,985
Net change in cash and cash equivalents	$ 1,324	$ 7,497

Operating Activities

Net cash used in operating activities was approximately $38.5 million for the six months ended June 30, 2022, reflecting a net loss of approximately $89.6 million and uses driven by changes in working capital of approximately $11.0 million. Such uses were partially offset by non-cash charges of $62.1 million. The non-cash charges primarily consisted of equity-based compensation expense of $60.7 million and depreciation and amortization expense of $1.5 million. The changes in working capital primarily relate to the timing of payments made to our vendors for services performed particularly as significant prepayments were made during the six months ended June 30, 2022.

Net cash used in operating activities was approximately $19.1 million for the six months ended June 30, 2021, reflecting a net loss of $24.3 million, partially offset by non-cash charges of $1.2 million and a net change of $4.0 million in our net working capital. The non-cash charges primarily consisted of depreciation and amortization of $0.9 million and equity-based compensation expense of $0.4 million.

The approximately $19.4 million increase in cash used in operating activities for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 was primarily driven by the increased use of cash related to the timing of payments to our vendors and the net loss incurred during the period, after adjusting for the non-cash charges.

Investing Activities

Net cash used in investing activities were approximately $1.2 million and $3.4 million for the six months ended June 30, 2022 and 2021, respectively, which was due to purchases of equipment and facility expansion.

Financing Activities

Net cash provided by financing activities was $41.0 million and $30.0 million for the six months ended June 30, 2022 and 2021, respectively, which was due to the borrowing of funds under the Promissory Notes and sales of Legacy Class B-1 Units in the 2022 period and due to proceeds received from the issuance of the Legacy Class A Units in the 2021 period.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of financial condition and results of operations is based on our consolidated financial statements. Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and

assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in Note 2 to our unaudited condensed consolidated financial statements included in Exhibit 99.2 of this Amendment No. 1 to the Current Report on Form 8-K.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our audited consolidated financial statements included in Exhibit 99.1 of this Amendment No. 1 to the Current Report on Form 8-K.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

JOBS Act Accounting Election

ProKidney Corp. is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies, allowing them to delay the adoption of those standards until those standards would otherwise apply to private companies. ProKidney Corp. has elected to use this extended transition period under the JOBS Act. As a result, our consolidated financial statements may not be comparable to the financial statements of companies that are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our ordinary shares less attractive to investors.

ProKidney LP and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)

	June 30, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 21,882	$ 20,558
Prepaid assets	682	588
Prepaid clinical	11,350	6,100
Other current assets	—	25
Total current assets	33,914	27,271
Fixed assets, net	10,857	11,358
Right of use assets, net	1,962	1,241
Deferred offering costs	6,905	–
Intangible assets, net	320	428
Total assets	$ 53,958	$ 40,298
Liabilities and Equity		
Current liabilities		
Accounts payable	$ 2,513	$ 2,834
Lease liabilities	377	267
Accrued expenses and other	6,184	9,213
Income taxes payable	1,730	—
Related party notes payable	35,000	—
Total current liabilities	45,804	12,314
Lease liabilities, net of current portion	1,617	1,067
Members' equity:		
Class A Units (186,500,000 issued and outstanding as of June 30, 2022 and December 31, 2021)	186,500	186,500
Class B Units (27,100,937 and 7,767,122 issued and outstanding as of June 30, 2022 and December 31, 2021, respectively)	71,164	1,927
Accumulated deficit	(251,127)	(161,510)
Total members' equity	6,537	26,917
Total liabilities and equity	$ 53,958	$ 40,298

(The accompanying notes are an integral part of the consolidated financial statements.)

ProKidney LP and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except for share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Operating expenses				
Research and development	$ 11,558	$ 10,969	$ 40,048	$ 20,828
General and administrative	9,180	1,748	47,152	3,492
Total operating expenses	20,738	12,717	87,200	24,320
Operating loss	(20,738)	(12,717)	(87,200)	(24,320)
Interest income	—	2	—	2
Interest expense	(170)	—	(184)	—
Net loss before income taxes	(20,908)	(12,715)	(87,384)	(24,318)
Income tax expense	1,223	10	2,233	16
Net and comprehensive loss	$ (22,131)	$ (12,725)	$ (89,617)	$ (24,334)
Weighted average Class A Units outstanding:				
Basic and diluted	186,500,000	140,109,890	186,500,000	131,160,221
Net loss per Class A Unit:				
Basic and diluted	$ (0.12)	$ (0.09)	$ (0.48)	$ (0.19)

(The accompanying notes are an integral part of the consolidated financial statements.)

ProKidney LP and Subsidiaries
Unaudited Condensed Consolidated Statements of Changes in Members' Equity
(in thousands, except for share data)

	For the Three Months Ended June 30, 2022				
	Class A		Class B	Accumulated	Total Members'
	Units	Amount	Profits Interests	Deficit	Equity
Balance as of March 31, 2022	186,500,000	186,500	62,663	(228,996)	20,167
Capital contribution	–	–	500	–	500
Equity-based payments	–	–	8,001	–	8,001
Net loss	–	–	–	(22,131)	(22,131)
Balance as of June 30, 2022	186,500,000	$ 186,500	$ 71,164	$ (251,127)	$ 6,537

	For the Three Months Ended June 30, 2021				
	Class A		Class B	Accumulated	Total Members'
	Units	Amount	Profits Interests	Deficit	Equity
Balance as of March 31, 2021	135,000,000	135,000	1,403	(117,973)	18,430
Capital contribution	10,000,000	10,000	–	–	10,000
Equity-based payments	–	–	175	–	175
Net loss	–	–	–	(12,725)	(12,725)
Balance as of June 30, 2021	145,000,000	$ 145,000	$ 1,578	$ (130,698)	$ 15,880

(The accompanying notes are an integral part of the consolidated financial statements.)

ProKidney LP and Subsidiaries
Unaudited Condensed Consolidated Statements of Changes in Members' Equity
(in thousands, except for share data)

	For the Six Months Ended June 30, 2022				
	Class A		Class B	Accumulated	Total Members'
	Units	Amount	Profits Interests	Deficit	Equity
Balance as of December 31, 2021	186,500,000	186,500	1,927	(161,510)	26,917
Capital contribution	–	–	6,050	–	6,050
Equity-based payments	–	–	63,187	–	63,187
Net loss	–	–	–	(89,617)	(89,617)
Balance as of June 30, 2022	186,500,000	$ 186,500	$ 71,164	$ (251,127)	$ 6,537

	For the Six Months Ended June 30, 2021				
	Class A		Class B	Accumulated	Total Members'
	Units	Amount	Profits Interests	Deficit	Equity
Balance as of December 31, 2020	115,000,000	115,000	1,228	(106,364)	9,864
Capital contribution	30,000,000	30,000	–	–	30,000
Equity-based payments	–	–	350	–	350
Net loss	–	–	–	(24,334)	(24,334)
Balance as of June 30, 2021	145,000,000	$ 145,000	$ 1,578	$ (130,698)	$ 15,880

(The accompanying notes are an integral part of the consolidated financial statements.)

ProKidney LP and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30,	
	2022	**2021**
Cash flows from operating activities		
Net loss	$ (89,617)	$ (24,334)
Adjustments to reconcile net loss to net cash flows		
Depreciation and amortization	1,462	878
Equity-based compensation	60,685	350
Changes in operating assets and liabilities		
Deferred offering costs	(6,905)	–
Prepaid and other assets	(5,320)	(4,896)
Accounts payable and accrued expenses	(520)	8,907
Income taxes payable	1,730	—
Net cash flows used in operating activities	(38,485)	(19,095)
Cash flows used in investing activities		
Purchase of equipment and facility expansion	(1,225)	(3,393)
Net cash flows used in investing activities	(1,225)	(3,393)
Cash flows from financing activities		
Payments on finance leases	(16)	(15)
Borrowings under related party notes payable	35,000	—
Net cash contribution	6,050	30,000
Net cash flows provided by financing activities	41,034	29,985
Net change in cash and cash equivalents	1,324	7,497
Cash, beginning of period	20,558	4,578
Cash, end of period	$ 21,882	$ 12,075
Supplemental disclosure of non-cash investing activities:		
Right of use assets obtained in exchange for lease obligations	$ 878	$ –
Equipment and facility expansion included in accounts payable and accrued expenses	$ 529	$ 635

(The accompanying notes are an integral part of the consolidated financial statements.)

Note 1: The Company

ProKidney LLC was formed as a Bermuda limited liability company on December 12, 2018 and funded with $75,000,000 on December 31, 2018. On January 9, 2019 (the "Acquisition Date"), ProKidney LLC acquired all of the equity interests in inRegen and Twin City Bio LLC ("TC Bio") for $62,000,000. inRegen was duly incorporated under the Cayman Islands Companies Act (as amended) on December 21, 2015 as an exempted company. During 2020, inRegen's name was changed to ProKidney (and is referred to herein as "ProKidney-KY"), and TC Bio's name was changed to ProKidney, LLC (and is referred to herein as "ProKidney-US"). ProKidney-US was formed as a limited liability company under the laws of Delaware on December 18, 2015. In August 2021, ProKidney LP was organized as a limited partnership under the laws and regulations of Ireland, with ProKidney LLC becoming a wholly owned subsidiary of ProKidney LP (and is referred to herein as "ProKidney"). Following this reorganization on August 5, 2021, and for the purposes of these financial statements, the term "ProKidney" as used herein, refers to ProKidney LP following this reorganization, and the financial information presented herein is that of ProKidney LP and its wholly owned subsidiaries.

ProKidney acquired the equity interests in ProKidney-KY to develop its Renal Advanced Cell Therapy, which has the potential to stabilize or improve renal function in patients with chronic kidney disease or delay or eliminate the need for dialysis and organ transplantation. ProKidney acquired ProKidney-US to provide contractual development and manufacturing services to ProKidney-KY, which is ProKidney-US's only customer.

Because ProKidney is a limited partnership, the debts, obligations and liabilities of the Company (as defined below), whether arising in contract, tort or otherwise, are solely the debts, obligations and liabilities of the Company, and no holder of equity interests in ProKidney ("members' equity") is obligated personally for any such debt, obligation or liability of the Company solely by reason of being a holder of members' equity.

On January 18, 2022, the Company executed a definitive business combination agreement (the "Business Combination Agreement"), with Social Capital Suvretta Holdings Corp. III ("SCS"). Pursuant to the terms of the Business Combination Agreement, the Company would become a subsidiary of SCS and would be organized in an umbrella partnership corporation ("Up-C") structure, would provide potential future tax benefits for SCS when the equity holders ultimately exchanged their pass-through interests for Class A ordinary shares. The transaction closed on July 11, 2022. Upon consummation of the transaction, SCS changed its name to ProKidney Corp.

The business combination between SCS and ProKidney LP (the "Business Combination") resulted in gross proceeds of approximately $596,537,000. This amount reflects a contribution of $21,737,000 of cash held in SCS' trust account, net of redemptions, and a $574,800,000 concurrent private placement of Class A ordinary shares of the combined company, priced at $10.00 per share (the "PIPE Placement"). Upon close, these proceeds were used to repay the outstanding balance of $35,000,000 under the Company's two promissory note agreements with certain holders of its Class A Units (the "Promissory Notes") and related accrued interest. Additionally, the proceeds were used to pay those expenses previously incurred by SCS related to the Business Combination of approximately $21,029,000 as well as advisory and placement fees of approximately $29,389,000 incurred in connection with the PIPE Placement.

Note 2: Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements reflect the operations of ProKidney and its wholly-owned subsidiaries consisting of ProKidney-KY and ProKidney-US (together, the "Company"). All intercompany transactions and accounts have been eliminated.

These unaudited condensed consolidated financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of the Company's financial information. These interim results and cash flows for any interim period are not necessarily indicative of the results to be expected for the full year. Any reference in these notes to applicable guidance is meant to refer to the authoritative accounting principles generally accepted in the United States of America ("GAAP") as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB"). These unaudited consolidated financial statements are presented in U.S. Dollars.

Going Concern

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company performed an analysis of its ability to continue as a going concern. As of June 30, 2022, the Company had an accumulated deficit of $251,127,000. The Company has generated losses from operations for each year since its inception. The Company intends to continue to conduct significant additional research, development, and clinical study activities which, together with expenses incurred for general and administrative expenses, are expected to result in continuing operating losses for the foreseeable future. The amount of future losses and when, if ever, the Company will achieve profitability are uncertain. The Company's ability to achieve profitability will depend, among other things, on successfully completing clinical studies, obtaining requisite regulatory approvals, establishing appropriate pricing for its product with payers, and raising sufficient funds to finance the Company's activities. No assurance can be given that the Company's clinical development efforts will be successful, that regulatory approvals will be obtained, or that the Company will be able to achieve appropriate pricing and market access or that profitability, if achieved, can be sustained.

These matters raised substantial doubt about the Company's ability to continue as a going concern. As of June 30, 2022, the Company had cash and cash equivalents of $21,882,000, and remaining availability of $65,000,000 under the Promissory Notes. As of June 30, 2022, the Company believed that these sources of liquidity would not be sufficient to fund its obligations for the subsequent 12 months. However, the Closing of the Business Combination on July 11, 2022 provided additional liquidity to the Company totaling approximately $511,912,000. The Company's liquidity after considering the proceeds from the Business Combination is considered sufficient to satisfy the Company's operating liabilities for a period greater than 12 months following the issuance date of these financial statements. As such, management considers that the substantial doubt about the Company's ability to continue as a going concern is alleviated by the inclusion of these additional funds in its available sources of liquidity.

Use of Estimates

The preparation of condensed consolidated financial statements, in accordance with GAAP, requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the amounts of expenses during the reported periods. Certain estimates in these condensed consolidated financial statements have been made in connection with the calculation of research and development expenses, equity-based compensation expense and the provision for or benefit from income taxes. The Company bases its estimates on historical experience and various other assumptions, including in certain circumstances future projections, which management believes to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in reported results in the period in which they become known.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less on the date of purchase to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these items.

Concentrations of Credit Risk

Cash and equivalents are financial instruments that are potentially subject to concentrations of credit risk. The Company's cash and equivalents are deposited in accounts at large financial institutions, and such amounts may exceed federally insured limits.

Accrued Expenses

Accrued expenses as presented in the Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021 consisted of the following (in thousands):

	June 30, 2022	December 31, 2021
Compensation	$ 1,545	$ 1,832
Clinical study related costs	222	2,031
Accrued legal costs	3,193	964
Manufacturing improvement costs	652	4,164
Other accrued expenses	572	222
Total accrued expenses and other	$ 6,184	$ 9,213

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses are comprised of costs incurred in performing research and development activities, including salaries, benefits, third party license fees, and external costs of outside vendors engaged to conduct manufacturing and preclinical development activities and clinical trials.

The Company records accruals based on estimates of services received, efforts expended, and amounts owed pursuant to contracts with numerous contract research organizations. In the normal course of business, the Company contracts with third parties to perform various clinical study activities in the ongoing development of potential products. The financial terms of these agreements are subject to negotiation and variation from contract to contract and may result in uneven payment flows. Payments under the contracts depend on factors such as the achievement of certain events and the completion of portions of the clinical study or similar conditions. The objective of the Company's accrual policy is to match the recording of expenses in its financial statements to the actual services received and efforts expended. As such, expense accruals related to clinical studies are recognized based on the company's estimate of the degree of completion of the event or events specified in the specific clinical study.

The Company records nonrefundable advance payments it makes for future research and development activities as prepaid expenses. Prepaid expenses are recognized as expense in the Condensed Consolidated Statement of Operations and Comprehensive Loss as the Company receives the related goods or services

Costs incurred in obtaining technology licenses are charged to research and development expense as purchased in-process research and development if the technology licensed has not reached technological feasibility and has no alternative future use.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Generally, expenditures for maintenance and repairs are charged to expense and major improvements or replacements are capitalized. The Company computes depreciation and amortization using the straight-line method over the estimated useful life of the asset. Leasehold improvements are amortized over the lesser of, the life of the lease or the estimated useful life of the leasehold improvement. The estimated useful lives are as follows:

Computer equipment and software	3-5 years
Furniture and equipment	5-7 years
Leasehold improvements	remainder of lease term

Fixed assets consisted of the following (in thousands):

	June 30, 2022	December 31, 2021
Furniture and equipment	$ 2,367	$ 2,180
Computer equipment and software	719	569
Leasehold improvements	10,538	10,517
Construction in progress	694	351
Less: accumulated depreciation	(3,461)	(2,259)
Total fixed assets, net	$ 10,857	$ 11,358

Depreciation expense for the three months ended June 30, 2022 and 2021 was $604,000 and $402,000, respectively. Depreciation expense for the six months ended June 30, 2022 and 2021 was $1,198,000 and $578,000, respectively.

Intangible Assets

Intangible assets are comprised of acquired assembled workforce, which are accounted for in accordance with ASC 350 - Intangibles - Goodwill and Other. The acquired assembled workforce is amortized on a straight-line basis over the useful life of five years. The following table summarizes information related to the Company's assembled workforce intangible asset (in thousands):

	June 30, 2022	December 31, 2021
Gross carrying amount	$ 1,073	$ 1,073
Accumulated amortization	753	645
Net carrying amount	$ 320	$ 428

Estimated amortization expense for the remaining six months of 2022 was $100,000, $215,000 for the year ended December 31, 2023 and $5,000 for the year ended December 31, 2024. Amortization expense relating to the assembled workforce intangible asset was $54,000 and $107,000 for each of the three and six months ended June 30, 2022 and 2021, respectively.

Impairment of Long-Lived Assets

Long-lived assets such as fixed assets and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charges have been recorded for the six months ended June 30, 2022 or 2021.

Income Taxes

The Company was organized as a limited liability company, is now a limited partnership and is classified as a partnership for U.S. income tax purposes, and as such, only records a provision for federal and state income taxes on its subsidiaries organized as C corporations or which have elected to be treated as corporations for U.S. federal income tax purposes. ProKidney-US is a limited liability company and has elected to be treated as a C corporation. Therefore, a provision for federal and state taxes has been recorded. ProKidney-KY has been granted, by the Government in Council of the Cayman Islands, tax concessions under an undertaking certificate exempting it from any tax levied on profits, income, gains or appreciations in relation to its operations or in the nature of estate duty or inheritance tax for a period of twenty years from January 20, 2016. ProKidney-KY elected to be treated as an entity disregarded from its owner for U.S. tax purposes, and as a result, it has not recorded an income tax provision.

The Company uses the liability method in accounting for income taxes as required by ASC Topic 740 — Income Taxes, under which deferred tax assets and liabilities are recorded for the future tax consequences attributable to the differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, available taxes in the carryback periods, projected future taxable income and tax planning strategies in making this assessment. Accordingly, the Company has provided a full valuation allowance to offset the net deferred tax assets at June 30, 2022 and December 31, 2021.

Interest and penalties related to income taxes are included in the benefit (provision) for income taxes in the Company's Condensed Consolidated Statements of Operations and Comprehensive Loss. The Company has not incurred any significant interest or penalties related to income taxes in any of the periods presented.

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 the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy that prioritizes the inputs used to measure fair value is described below. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable through correlation with market data

- Level 3 – Unobservable inputs that are supported by little or no market data, which require the reporting entity to develop its own assumptions

The carrying values of cash equivalents, accounts payable, and accrued liabilities approximate fair value due to the short-term nature of these instruments.

Leases

The Company determines if an arrangement is a lease at inception. Balances recognized related to the Company's operating and finance leases are included in right-of-use assets, net and lease liabilities in the Condensed Consolidated Balance Sheets. Right of use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease terms may include options to extend or terminate the lease if it is reasonably certain that the Company will exercise the option. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The right of use asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The Company has elected a practical expedient to not separate its lease and non-lease components and instead account for them as a single lease component. Leases with a term of 12 months or less are not recorded on the balance sheet.

Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Lease payments for short-term leases are recorded to operating expense on a straight-line basis and variable lease payments are recorded in the period in which the obligation for those payments is incurred.

Contingent Liabilities

The Company records reserves for contingent liabilities when it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Equity-Based Compensation

The Deed for the Establishment of a Limited Partnership of ProKidney LP, dated as of August 5, 2021 (the "Limited Partnership Agreement") which replaced the Amended and Restated Limited Liability Company Agreement of ProKidney LLC as the governing document of the parent entity in the Company, allowed for the issuance of Profits Interests (as defined in the Limited Partnership Agreement) to employees, directors, other service providers of the Company and others denominated in the form of one or more Class B Units (as defined in the Limited Partnership Agreement).

On January 17, 2022, the Company amended and restated its Limited Partnership Agreement (the "Amended and Restated Limited Partnership Agreement") in part to authorize the issuance of up to 50,000,000 Class B Units (including Class B-1 Units). The Amended and Restated Limited Partnership Agreement provided that certain qualified distribution events would result in holders of Profits Interests receiving disproportionate distributions from ProKidney until each such holder's valuation threshold had been reduced to zero in order to "catch up" such holder's distributions to its pro rata share of aggregate cumulative distributions, and once sufficient distributions to a holder of Profits Interests had been made in accordance with the foregoing, the associated Class B Units would automatically be converted into Class A Units.

Upon consummation of the Business Combination discussed in Note 1, the Company's existing Class B Units (including Class B-1 Units) were "caught up" and were converted into Class A Units of the Company. The resulting vested and unvested Class A Units were then recapitalized into Common Units or Restricted Common Units of ProKidney Corp., respectively. Upon recapitalization, the Restricted Common Units maintained the vesting schedules associated with the original Profits Interest awards.

The Company measures compensation expense for Profits Interests based on estimated fair values at the time of grant. The Company estimates the fair value of Profits Interests using generally accepted valuation procedures. The Company recognizes compensation expense, on a straight-line basis, for the portion of the Profits Interests' value that is expected to vest over the requisite service period. The Company records forfeitures of Profits Interests as they occur.

Segments

The Company operates in only one segment.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize a right-of-use asset and a liability on the balance sheet for all leases, with the exception of short-term leases. The lease liability will be equal to the present value of lease payments, and the right-of-use asset will be based on the lease liability, subject to adjustment such as for initial direct costs. Leases will continue to be classified as either operating or finance leases in the income statement. The guidance is effective for annual periods beginning after December 15, 2021, with early adoption permitted. The Company early adopted ASU No. 2016-02, Leases (Topic 842), as of January 1, 2021. For additional detail, see Note 4, Leases.

Subsequent Events

The Company has evaluated subsequent events through August 12, 2022, which is the date the consolidated financial statements were available to be issued. See additional information in Note 9.

Note 3: Income Taxes

The Company's subsidiary, ProKidney-US, is treated as a C corporation, and therefore a provision for federal and state taxes has been recorded. The Company's effective tax rate for the three months ended June 30, 2022 and 2021, was (5.8)% and (0.1)%, respectively. The Company's effective tax rate for the six months ended June 30, 2022 and 2021, was (2.6)% and (0.1)%, respectively. The difference between the Company's effective tax rates and the U.S. statutory rate of 21% is primarily attributable to the Company and ProKidney-KY being treated as partnerships for income tax purposes.

For tax years beginning after December 31, 2021, the Tax Cut and Jobs Act of 2017 (the "TCJA") requires specified research and development expenses to be capitalized and amortized ratably over a five-year period. The adoption of this provision of the TCJA is the primary driver of income tax expense recognized during the three and six months ended June 30, 2022.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, available taxes in the carryback periods, projected future taxable income and tax planning strategies in making this assessment.

There were no net unrecognized tax benefits as of June 30, 2022 which, if recognized, would affect our effective tax rate. We expect none of the gross unrecognized tax benefits will decrease within the next year.

There were no significant changes in the Company's uncertain tax positions during the six months ended June 30, 2022 from the amount that was reflected at December 31, 2022.

Note 4: Leases

In February 2016, the FASB issued ASU 2016-02: Leases (Topic 842). This ASU requires a lessee to recognize a right-of-use asset and a lease liability on its balance sheet for most operating leases. ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018, including interim periods within those fiscal years. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, which provides companies with an additional optional transition method to apply the new standard to leases in effect at the adoption date through a cumulative effect adjustment. The Company adopted the new lease standard as of January 1, 2021 using the modified retrospective transition method.

The Company elected the package of practical expedients referenced in ASU 2016-02, which permits companies to retain original lease identification and classification without reassessing initial direct costs for existing leases. The Company also elected the practical expedient that exempts leases with an initial lease term of twelve months or less, as well as the practical expedient that allows companies to select, by class of underlying asset, not to separate lease and non-lease components. Adoption of this standard resulted in the recognition of a right-of-use asset and a lease liability on the Company's January 1, 2021 Consolidated Balance Sheet of $1,560,000 and $1,559,000 respectively. There was no material impact on the Company's Condensed Consolidated Statement of Operations and Comprehensive Loss.

The Company has operating leases for real estate (primarily office space) and certain equipment with various expiration dates. The Company also has one finance lease for certain equipment. Rent expense was $140,000 and $78,000, for the three months ended June 30, 2022 and 2021, respectively. For the six months ended June 30, 2022 and 2021, the Company's rent expense was $229,000 and $221,000, respectively.

The following table summarizes the classification of operating and finance lease assets and obligations in the Company's Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021 (in thousands):

	June 30, 2022	December 31, 2021
Operating leases:		
Right of use assets	$ 1,876	$ 1,139
Operating lease liabilities, current	$ 343	$ 235
Operating lease liabilities, noncurrent	1,551	985
Total operating lease liabilities	$ 1,894	$ 1,220
Finance leases:		
Right of use assets	$ 86	$ 102
Finance lease liabilities, current	$ 34	$ 32
Finance lease liabilities, noncurrent	66	82
Total finance lease liabilities	$ 100	$ 114

Maturities of lease liabilities for the Company's operating and finance leases are as follows as of June 30, 2022 (in thousands):

	Operating Leases	Finance Leases	Total
2022 (remaining six months)	242	20	262
2023	494	40	534
2024	507	40	547
2025	507	10	517
2026	421	—	421
Thereafter	119	—	119
Total lease payments	2,290	110	2,400
Less: imputed interest	(396)	(10)	(406)
Present value of lease liabilities	$ 1,894	$ 100	$ 1,994

The weighted average remaining lease term for operating leases is 4.5 years, and 2.8 years for the finance lease. The weighted average discount rate is 8.5%.

Note 5: Related Party Debt

On January 18, 2022, in connection with execution of the Business Combination Agreement, the Company entered into the Promissory Notes. Through the Promissory Notes, the holders could fund up to $100,000,000 to support the operational financing needs of the Company prior to the Closing of the Business Combination. These notes bore interest at a rate of 3% per annum and were due upon the earliest of either (i) the date on which the Business Combination closed or (ii) January 17, 2023.

Drawdowns on the Promissory Notes could be made in multiples of $10,000 unless otherwise agreed upon. Once an amount is drawn down under the Promissory Notes, it was no longer available for future drawdown requests even if prepaid.

During the three and six months ended June 30, 2022, the Company borrowed $15,000,000 and $35,000,000, respectively, under the Promissory Notes. During the three and six months ended June 30, 2022, the Company recognized interest expense of $168,000 and $180,000, respectively related to the Promissory Notes. Interest payable as of June 30, 2022 was $180,000 and is reflected within accrued expenses and other within the Condensed Consolidated Balance Sheets. The amounts due under the Promissory Notes were paid upon Closing of the Business Combination described in Note 1.

Note 6: Members' Equity

Ownership interests in the Company were represented by two classes of units, Class A Units and Class B Units. The terms of the units were governed by the LP Agreement. As of June 30, 2022, there were 190,000,000 Class A and 50,000,000 Class B Units authorized (including Class B-1 Units).

Holders of Class A Units had voting rights and rights to profits and losses of the Company and distributions from the Company. No Class A Units were issued during the three and six months ended June 30, 2022.

During the three months ended June 30, 2022, the Company issued 549,451 of its Class B-1 Units for total cash proceeds of $500,000. During the six months ended June 30, 2022, the Company issued 6,648,353 of its Class B-1 Units for total cash proceeds of $6,050,000. As these awards were issued for a price below their estimated fair value to employees, board members and other service providers, the provisions of ASC Topic 718 – Stock Compensation apply. Refer to Note 8 for further details.

The Class B Units were reserved for issuance of Profits Interests and did not have voting rights. The Profits Interests were designed so that the holders of Profits Interests could only participate in a qualified distribution event and only if its valuation threshold was attained in such a distribution event as set forth in the Limited Partnership Agreement; provided, however, that the Limited Partnership Agreement, as amended and restated in January 2022, provided that certain qualified distribution events would result in the holders of Profits Interests receiving disproportionate distributions from ProKidney until each such holder's threshold value had been reduced to zero in order to "catch up" such holder's distributions to its pro rata share of aggregate cumulative distributions, and once sufficient distributions to a holder of Profits Interests had been made in accordance with the foregoing, the associated Class B Units would automatically be converted into Class A Units.

Note 7: Net Loss per Share

Basic loss per share ("EPS") was computed by dividing net loss by the number of weighted average units of Class A Units outstanding during the period. Diluted EPS was calculated to give effect to potentially issuable dilutive units of common units using the treasury method. For all periods presented, the vested and unvested Profits Interests have been excluded from the diluted EPS calculation as their effect would be anti-dilutive. The following table sets forth the calculation of basic and diluted earnings per share for the periods indicated based on the weighted average number of common shares outstanding:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Numerator				
Net loss available to Class A Unit holders	$ (22,131)	$ (12,725)	$ (89,617)	$ (24,334)
Denominator				
Weighted average Class A Units outstanding, basic and diluted	186,500,000	140,109,890	186,500,000	131,160,221
Net loss per Class A Unit				
Net loss per Class A Unit, basic and diluted	(0.12)	(0.09)	(0.48)	(0.19)
Antidilutive securities				
Class B Units	27,100,937	7,767,122	27,100,937	7,767,122

Note 8: Equity Based Compensation

Profits Interests Awards

The issuance of Profits Interests to employees, directors, and other service providers of the Company ("Plan Participants") was administered at the discretion of ProKidney GP Limited, the general partner of ProKidney until the Closing (the "Legacy General Partner"). Profits Interests allowed the Plan Participants to participate in the residual profits of the Company after the distribution of proceeds reach a minimum threshold value. The threshold value was the amount of proceeds that must be distributed to the holders of Class A Units before the Plan Participants could participate in a distribution.

Under the Limited Partnership Agreement, the Legacy General Partner determined the terms and conditions of the Profits Interests issued. The threshold value assigned to each grant was not to be less than the fair market value of the Company on the date of grant. Profits Interests awards would vest at a rate of 25% on the latter of the first anniversary of employment and the first anniversary of the Acquisition Date with the remaining 75% to vest in increments of 25% on each anniversary following the first anniversary date, ratably over a three or four-year period from the date of grant, in annual installments of 33.3% over the three-year period from the date of grant,

in increments of 6.25% each calendar quarter following the first anniversary date, or were fully vested upon issuance. The Profits Interests were subject to a repurchase option should the plan participant no longer be employed by the Company.

The following table summarizes the activity for the six months ended June 30, 2022, related to the Company's Class B and B-1 Units granted as equity awards to its employees, board members and service providers:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested awards outstanding at January 1, 2022	2,460,617	$ 0.36
Granted	9,977,072	6.09
Vested	(1,073,973)	1.28
Forfeited	(41,612)	6.03
Awards outstanding at June 30, 2022	11,322,104	$ 5.30

As of June 30, 2022, the unrecognized compensation expense related to these awards was $54,463,000. The current weighted average remaining period over which the unrecognized compensation expense is expected to be recognized is 3.4 years. The weighted average grant date fair value of the Profits Interests granted during the three and six months ended June 30, 2022, was $6.42 and $6.09, respectively, per Class B-1 unit. There were no Profits Interests granted during the three and six months ended June 30, 2021.

As of June 30, 2022, there remained 22,899,063 Class B Units available for issuance. Given that these instruments meet the criteria for being considered profits interests, the Company has recognized no tax benefit related to these awards.

Modification to Profits Interest Awards

On January 17, 2022, the Limited Partnership Agreement was amended and restated to provide that certain qualified distribution events would result in the holders of Profits Interests receiving disproportionate distributions from ProKidney until each such holder's threshold value was reduced to zero in order to "catch up" such holder's distributions to its pro rata share of aggregate cumulative distributions, and once sufficient distributions to a holder of Profits Interests had been made in accordance with the foregoing, the associated Class B Units would automatically be converted into Class A Units.

This amendment constituted a modification to the Class B Units outstanding as of the date of the modification under the provisions of ASC Topic 718. In connection with the modification of its outstanding share-based compensation awards, the Company will recognize total additional compensation expense of $5,437,000 related to awards granted to its employees. The portion of this additional compensation expense attributable to vested awards of $3,715,000 was recognized immediately upon modification during the six months ended June 30, 2022.

Issuance of Profits Interests to Service Provider

During the six months ended June 30, 2022, the Company issued 2,750,000 fully vested Class B-1 Units to a third-party service provider as payment for research and development services provided in prior periods. The Company had previously recognized expense of $2,502,000 for these services based on the liability related to the services incurred. As the fair value of shares issued to satisfy that obligation was higher than the amount previously expensed, the Company recognized additional research and development expense of $14,080,000 during the six months ended June 30, 2022.

Purchase of Class B-1 Units

As discussed further in Note 6, certain of the Company's employees, board members and service providers purchased 549,451 and 6,648,353 of its Class B-1 Units for total cash proceeds of $500,000 and $6,050,000, respectively, during the three and six months ended June 30, 2022. Since these Class B-1 Units were fully vested upon purchase and contained no service requirements, the Company immediately recognized the difference between the purchase price and the estimated fair value for these Class B-1 Units of $3,027,000 and $34,254,000 as equity-based compensation expense during the three and six months ended June 30, 2022, respectively. No such sales occurred during the three and six months ended June 30, 2021.

Compensation Expense

Compensation expense related to the issuance and purchase of Class B and B-1 Units is included in research and development and general and administrative expense as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Research and development	$ 1,336	$ –	$ 18,703	$ –
General and administrative	6,664	175	41,983	350
Total equity-based compensation expense	$ 8,001	$ 175	$ 60,686	$ 350

Fair Value Estimate

The Company is privately held with no active public market for its equity instruments. Therefore, for financial reporting purposes, management may periodically determine the estimated per share fair value of the Company's equity shares (including Profits Interests) using contemporaneous valuations. These contemporaneous valuations are done using methodologies consistent with the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation, also known as the Practice Aid.

For the Profits Interest Awards granted during the three and six months ended June 30, 2022, the valuation approach utilized a hybrid method which consists of a combination of an Option Pricing Method ("OPM") and a Probability Weighted Expected Return Method ("PWERM") approach. Weighting allocations were assigned to the OPM an PWERM methods based upon the expected likelihood possible future liquidity events, including the Business Combination.

Under the OPM approach, the fair value of the total equity of the Company within each scenario was first estimated using a back-solve method wherein the equity value is derived from a recent transaction in the Company's own securities, and then the total equity value is allocated to the various components of the capital structure, including the Profits Interests, using an OPM or a waterfall approach based on the specific rights of each of the equity classes. The OPM uses the fair value of the total equity of the Company within a scenario as a starting point and incorporates assumptions made regarding the expected returns and volatilities that are consistent with the expectations of market participants, and distribution of equity values is produced which cover the range of events that an informed market participant might expect. This process creates a range of equity values both between and within scenarios. The fair value measurement is sensitive to changes in the unobservable inputs. Changes in those inputs might result in a higher or lower fair value measurement.

The PWERM approach is a scenario-based analysis that estimates the value per ordinary sharebased on the probability-weighted present value of expected future equity values for the ordinary shares, under various possible future liquidity event scenarios, including the proposed Business Combination, in light of the rights and preferences of each class and series of shares, including the Profits Interests, discounted for a lack of marketability.

In performing these valuations, management considered all objective and subjective factors that they believed to be relevant, including management's best estimate of the Company's business condition, prospects, and operating performance at each valuation date. Within the valuations performed, a range of factors, assumptions, and methodologies were used. The significant factors included trends within the industry, the prices at which the Company sold Class A units, the rights and preferences of the Class A units relative to the Class B units at the time of each measurement date, the results of operations, financial position, status of research and development efforts, stage of development and business strategy, the lack of an active public market for the units, and the likelihood of achieving an exit event in light of prevailing market conditions.

The following reflects the key assumptions used in each of the valuation scenarios for awards granted during the six months ended June 30, 2022:

	OPM	PWERM
Total equity value (in thousands)	$234,551 - $280,400	$ 1,750,000
Expected volatility of total equity	95 %	60% - 90%
Discount for lack of market	30 %	7% - 15%
Expected time to exit event	3.4 years - 3.7 years	0.1 years - 0.5 years

Note 9: Subsequent Events

As discussed in Note 1, the Company closed the Business Combination with SCS on July 11, 2022.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

In this section, unless the context otherwise requires, the "combined company" or "ProKidney" refer to ProKidney Corp. (formerly Social Capital Suvretta Holdings Corp. III) and its subsidiaries after the Closing, "SCS" refers to SCS prior to the Closing, and "Legacy ProKidney" refers to ProKidney LP and its subsidiaries prior to the Closing.

The following unaudited pro forma condensed combined financial information for the six months ended June 30, 2022 combines the historical statement of operations of SCS and the historical consolidated statement of operations of Legacy ProKidney, giving effect to the Business Combination as if it had occurred on January 1, 2021. The unaudited pro forma condensed combined balance sheet as of June 30, 2022 combines the historical balance sheet of SCS and Legacy ProKidney, giving effect to the Business Combination as if it had occurred on June 30, 2022.

The following unaudited pro forma condensed combined financial information presents the combination of the financial information of SCS and Legacy ProKidney, adjusted to give effect to the Business Combination and other events contemplated by the Business Combination Agreement. The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses."

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the Business Combination and has been prepared for informational purposes only. The unaudited pro forma condensed combined statement of operations is not necessarily indicative of what the actual results of operations would have been had the Business Combination taken place on the date indicated, nor is it indicative of the future consolidated results of operations of the combined company. The pro forma adjustments were based on the information available as of the date of these unaudited pro forma condensed combined financial statements and are subject to change as additional information becomes available and analyses are performed. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

On July 11, 2022, SCS and Legacy ProKidney consummated the Business Combination pursuant to the Business Combination Agreement. The historical financial information has been adjusted to give pro forma effect to the following events that are related and/or directly attributable to the Business Combination. The following pro forma condensed combined financial statements presented herein reflect the actual redemption of 22,829,769 Class A ordinary shares in conjunction with the shareholder vote on the Business Combination contemplated by the Business Combination Agreement at the extraordinary general meeting held on July 11, 2022.

The following summarizes the pro forma share ownership of the combined company's Class A ordinary shares after giving effect to the Business Combination.

	New ProKidney Ordinary Shares	*Ownership*
Public Shareholders	2,170,231	*0.9%*
Sponsor	6,890,000	*2.9%*
Third Party PIPE Investors	36,840,000	*15.2%*
Sponsor Related PIPE Investors	15,640,000	*6.5%*
ProKidney Unitholders (including the ProKidney Related PIPE Investors)	180,000,000	*74.5%*
Total Shares Outstanding	241,540,231	*100.0%*

The unaudited pro forma condensed combined financial information is based on and should be read in conjunction with:

- the accompanying notes to the unaudited pro forma condensed combined financial information;
- the historical unaudited condensed financial statements of SCS as of and for the six months ended June 30, 2022 and the related notes included in the Quarterly Report on Form 10-Q filed on August 12, 2022;
- the historical unaudited consolidated financial statements of Legacy ProKidney as of and for the six months ended June 30, 2022 and the related notes, included as Exhibit 99.2 of this Amendment No. 1 to the Current Report on Form 8-K; and
- other information relating to SCS and Legacy ProKidney contained in this prospectus, including the Business Combination Agreement and the description of certain terms thereof set forth under "*Summary of the Prospectus — Background and Business Combination*," of the definitive proxy statement on Schedule 14A filed by ProKidney Corp. (formerly Social Capital Suvretta Holdings Corp. III) with the U.S. Securities and Exchange Commission (the "SEC") on June 10, 2022 as well as the disclosures contained in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" included as Exhibit 99.1 of this Amendment No. 1 to the Current Report on Form 8-K.

1

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS JUNE 30, 2022
(in thousands, except share and per share amounts)

	SCS Historical	ProKidney Historical	Transaction Accounting Adjustments (Note 3)	Note	Proforma Combined
Current assets					
Cash and cash equivalents	$ 108	$ 21,882	$ 516,204	(a)	$ 538,194
Prepaid assets	525	682	-		1,207
Prepaid clinical	-	11,350	-		11,350
Other current assets	-	-	-		-
Total current assets	633	33,914	516,204		550,751
Investments held in Trust Account	250,371	-	(250,371)	(b)	-
Fixed assets, net	-	10,857	-		10,857
Right of use assets, net	-	1,962	-		1,962
Deferred offering costs	-	6,905	(6,905)	(c)	-
Intangible assets, net	-	320	-		320
Other long term assets	-	-	-		-
Total assets	$ 251,004	$ 53,958	$ 258,928		$ 563,890
Current liabilities					
Accounts payable	$ -	$ 2,513	$ -		$ 2,513
Lease liabilities	-	377	-		377
Accrued expenses and other	7,603	6,184	-		13,787
Related party notes payable	250	35,000	(35,250)	(d)	-
Income taxes payable	-	1,730	-		1,730
Advances from related party	81	-	(81)	(e)	-
Total current liabilities	7,934	45,804	(35,331)		18,407
Long term liabilities					
Deferred underwriting fee payable	7,700	-	(7,700)	(f)	-
Lease liabilities, net of current portion	-	1,617	-		1,617
Tax Receivable Agreement liability	-	-	-	(g)	-

Temporary equity:					
Class A ordinary shares subject to possible redemption	250,371	-	(250,371)	(h)	-
Redeemable noncontrolling interest	-	-	410,388	(i)	410,388
ProKidney Corp.					
ProKidney Corp. Class A ordinary shares	-	-	58	(j),(h), (o)	58
ProKidney Corp. Class B ordinary shares	-	-	18	(k)	18
SCS:					
SCS Preference shares, $0.0001 par value	-	-	-		-
SCS Class A ordinary shares, $0.0001 par value	-	-	-		-
SCS Class B ordinary shares, $0.0001 par value	1	-	(1)	(o)	-
			-		
ProKidney:					
ProKidney - Class A Units	-	186,500	(186,500)	(k)	-
ProKidney - Class B Units	-	71,164	(71,164)	(k)	-
Additional paid-in capital			141,867	(k),(l)	141,867
Accumulated deficit	(15,002)	(251,127)	257,664	(k)	(8,465)
Total equity	(15,001)	6,537	141,942		133,478
Total liabilities, redeemable noncontrolling interest and equity	$ 251,004	$ 53,958	$ 258,928		$ 563,890

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(in thousands, except share and per share amounts)

	SCS Historical	ProKidney Historical	Transaction Accounting Adjustments (Note 3)	Note	Proforma Combined
Operating expenses					
Research and development	$ -	$ 40,048	$ -		$ 40,048
Operation and formation costs	6,614	-	-		6,614
General and administrative	-	47,152	-		47,152
Total operating expenses	6,614	87,200	-		93,814
Operating loss	(6,614)	(87,200)	-		(93,814)
Other income					
Interest expense	-	(184)	-		(184)
Interest income	363	-	(363)	(aa)	-
Total other income	363	(184)	(363)		(184)
Net loss before income taxes	(6,251)	(87,384)	(363)		(93,998)
Income tax expense	-	2,233	-	(bb)	2,233
Net loss	(6,251)	(89,617)	(363)		(96,231)
Net loss attributable to noncontrolling interest	-	-	(71,713)	(cc)	(71,713)
Net loss available to Class A ordinary shares	$ (6,251)	$ (89,617)	$ 71,350		$ (24,518)
Weighted average Class A ordinary shares, basic and diluted					61,540,231
Net loss per share attributable to Class A ordinary shares, basic and diluted					$ (0.40) (dd)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Description of Transaction

On July 11, 2022, SCS and Legacy ProKidney consummated the Business Combination contemplated by the Business Combination Agreement.

Following the Closing, the combined company was organized in an umbrella partnership-C corporation (or "*Up-C*") structure, and the combined company's direct assets consisted of Post-Combination ProKidney Common Units and all of the issued and outstanding equity interests of GP, which replaced Legacy GP as the general partner of Legacy ProKidney upon the Closing, and substantially all of the operating assets and business of the combined company is held indirectly through Legacy ProKidney, as described further below. ProKidney is domiciled in the Cayman Islands.

Pursuant to the Business Combination Agreement, the following transactions occurred:

- prior to the Closing: (i) Legacy ProKidney amended and restated the ProKidney Limited Partnership Agreement to be in the form of the Second Amended and Restated ProKidney Limited Partnership Agreement, which became effective upon the completion of the Business Combination; (ii) GP amended and restated its constitution, which became effective upon the completion of the Business Combination; (iii) SCS amended and restated the Memorandum and Articles of Association to be in the form of the Second Amended and Restated Memorandum and Articles of Association, which became effective upon the completion of the Business Combination; (iv) (A) each issued and outstanding Legacy ProKidney Class B Unit that was not vested pursuant to the terms of the applicable award agreement with the applicable holder as of such time was recapitalized into one PMEL RCU, which would, when vested in accordance with the applicable award agreement, automatically convert into a Post-Combination ProKidney Common Unit (and the associated Legacy ProKidney Class B PMEL RSR would vest) and (B) all other issued and outstanding Legacy ProKidney Class A Units and ProKidney Class B Units were recapitalized into an aggregate number of Post-Combination ProKidney Common Units equal to (x) 175,000,000 minus (y) the number of PMEL RCUs issued pursuant to the foregoing clause (A); (v) Legacy ProKidney completed a restructuring of PMEL; and (vi) Legacy ProKidney issued 5,000,000 Post-Combination ProKidney Common Units pursuant to certain Subscription Agreements in connection with the exercise of election by certain holders to purchase Post-Combination ProKidney Common Units in lieu of SCS Class A ordinary shares; and
- at the Closing: (i) Legacy ProKidney issued to SCS a number of Post-Combination ProKidney Common Units equal to the number of fully diluted outstanding SCS ordinary shares as of immediately prior to the Closing (but after giving effect to all redemptions of SCS Class A ordinary shares and the purchase of SCS Class A ordinary shares and/or Post-Combination ProKidney Common Units pursuant to the PIPE Investment), in exchange for (a) (x) ProKidney Class B ordinary shares, which shares have no economic rights but entitle the holders thereof to vote on all matters on which shareholders of the combined company are entitled to vote generally, and (y) ProKidney Class B PMEL RSRs, which shall convert into ProKidney Class B ordinary shares upon the vesting of the associated PMEL RCUs (as described above), (b) an amount in cash equal to the aggregate proceeds obtained by SCS in the PIPE Investment and (c) an amount in cash equal to the aggregate proceeds available for release to SCS from the Trust Account (after giving effect to all redemptions of SCS Class A ordinary shares and after payment of any deferred underwriting commissions being held in the Trust Account and payment of certain transaction expenses); (ii) Legacy GP resigned as the general partner of Legacy ProKidney and GP was be admitted as the general partner of Legacy ProKidney; (iii) Legacy ProKidney distributed to the Closing ProKidney Unitholders the ProKidney Class B ordinary shares and ProKidney Class B PMEL RSRs received pursuant to clause (i)(a) (x) and (y) above; and (iv) the Earnout Participants received the Earnout Rights, which Earnout Rights will vest in three equal tranches upon the achievement of certain ProKidney share price milestones or certain change of control events. When vested, the Earnout RCUs will automatically convert into Post-Combination ProKidney Common Units and the associated Earnout RSRs will automatically convert into ProKidney Class B ordinary shares, respectively.

Pursuant to the Exchange Agreement as described elsewhere in this prospectus, each Post-Combination ProKidney Common Unit, together with one Class B ordinary share, is generally exchangeable for one Class A ordinary share, subject to certain procedures and restrictions.

Basis of Presentation and Accounting Policies

The unaudited pro forma condensed combined financial information has been adjusted to include transaction accounting adjustments related to the Business Combination in accordance with GAAP.

We determined that the Business Combination qualified as a common control transaction and, therefore, was accounted for akin to a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Legacy ProKidney is considered the accounting acquirer primarily based on the evaluation of the following facts and circumstances:

Under the guidance in ASC 805 for transactions between entities under common control, the assets, liabilities, and noncontrolling interests of Legacy ProKidney and SCS were recognized at their carrying amounts on the date of the Business Combination. Under this method of accounting, SCS was treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the Business Combination was treated as the equivalent of Legacy ProKidney issuing stock for the net assets of SCS, accompanied by a recapitalization. The net assets of SCS were stated at their historical value within the pro formas with no goodwill or other intangible assets recorded.

- The individual controlling Legacy ProKidney prior to the Business Combination also controls the combined company as a result of the Voting Agreement, which provides Tolerantia with the majority of the votes related to the appointment and removal of the majority of the Board;
- The Legacy ProKidney unitholders prior to the Closing comprise a majority of the voting power of the combined company following the Closing;
- Senior management of Legacy ProKidney prior to the Closing comprise the senior management of the combined company following the Closing; and
- The operations of Legacy ProKidney prior to the Closing comprise the ongoing operations of the combined company following the Closing.

Upon completion of the Business Combination, GP became the sole general partner of Legacy ProKidney. Giving effect to the redemption of 22,829,769 Class A ordinary shares, ProKidney has the sole voting interest in Legacy ProKidney through its ownership of GP. As a result, ProKidney consolidated the financial results of Legacy ProKidney and reports a non-controlling interest related to the Post-Combination ProKidney Units held by Legacy ProKidney's investors prior to the Closing on ProKidney's consolidated balance sheet. The computation of the non-controlling interest following the Closing, is as follows:

	Units	Percentage
Interest in ProKidney LP held by the Issuer	61,540,231	25.5%
Noncontrolling interest in the Issuer	180,000,000	74.5%
Total	241,540,231	100.0%

Proposed Accounting Treatment of the Earnout Rights

As discussed in this Note 1, the Earnout Participants received 17,500,000 Earnout Rights upon Closing. Upon satisfaction, during the five-year period after the Closing, of certain volume weighted average price ("VWAP") thresholds, or a change in control with a per share price exceeding the VWAP thresholds within a five-year period immediately following the Closing, the Earnout Rights will automatically vest and convert into Post-Combination ProKidney Common Units and ProKidney Class B ordinary shares. As the Business Combination was accounted for as a reverse recapitalization, the issuance of the Earnout Rights to the Legacy ProKidney unitholders was accounted for as an equity transaction. Since the Earnout Rights were payable to the Legacy ProKidney unitholders (i.e., the accounting acquirer in the business combination), the accounting for the Earnout Rights arrangement did not fall under Accounting Standards Codification ("*ASC*") Topic 805, Business Combinations nor Topic 718, Stock Compensation.

The accounting for the Earnout Rights was also evaluated under ASC Topic 480, Distinguishing Liabilities from Equity, to determine if the arrangement should be classified as a liability. As part of that preliminary analysis, it was determined that the Earnout Rights did not meet the criteria to be accounted for as a liability. Additionally, the Earnout

Rights were evaluated under ASC Topic 815, Derivatives. As part of that preliminary analysis, it was determined that the Earnout Rights met the definition of a derivative; however, they meet the scope exception criteria as they were clearly and closely related to the entity's own stock, and met the criteria for equity treatment. Therefore, an adjustment to recognize the Earnout Rights would have no net impact on any financial statement line item as it would simultaneously increase and decrease additional paid-in capital. Thus, no adjustment has been applied to the unaudited pro forma combined financial information related to the Earnout Rights.

2. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X. The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an illustrative understanding of the combined company upon consummation of the Business Combination in accordance with GAAP.

The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results and financial position that would have been achieved had the Business Combination occurred on the dates indicated. The unaudited pro forma condensed combined financial information does not purport to project the future operating results or financial position of ProKidney following the completion of the Business Combination. The unaudited pro forma adjustments represent management's estimates based on information available as of the date of this unaudited pro forma condensed combined financial information and are subject to change as additional information becomes available and analyses are performed. SCS and Legacy ProKidney did not have any historical relationship prior to the transactions. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The unaudited pro forma condensed combined financial statements give effect to the redemption of 22,829,769 Class A ordinary shares.

3. Transaction Adjustments

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2022

(a) Represents pro forma adjustments to cash and cash equivalents to reflect the following:

(in thousands)	**Note**		
SCS cash held in Trust Account	(1)	$	250,371
Payment of deferred underwriting fees	(2)		(7,700)
PIPE Financing	(3)		574,800
Payment to redeeming Public Stockholders	(4)		(228,636)
Payment of other transaction costs	(5)		(37,300)
Repayment of related party notes payable	(6)		(35,250)
Repayment of related party advance	(7)		(81)
Excess cash to balance sheet from Business Combination		**$**	**516,204**

(1) Reflects the liquidation and reclassification of investments held in the Trust Account to cash and cash equivalents.

(2) Reflects the payment of $7.7 million of underwriters' fees deferred by SCS and which were paid at the Closing.

(3) Reflects the gross proceeds of $574.8 million from the issuance and sale of 57,480,000 ProKidney Class A ordinary shares at $10.00 per share pursuant to the Subscription Agreements entered into with PIPE Investors in connection with the PIPE Investment.

(4) Represents the payments made to the holders of SCS Class A ordinary shares in connection with the redemption of 22,829,769 SCS Class A ordinary shares.

(5) Represents transaction costs of $37.3 million incurred by Legacy ProKidney prior to, or concurrent with, the Closing that were cash settled upon Closing in accordance with the Business Combination Agreement. Of that amount, approximately $17.5 million related to investment transaction fees; $11.9 million related to equity financing fees associated with the PIPE Investment, and the remaining $7.9 million related to direct and incremental costs such as legal, tax, accounting,

third-party advisory and other miscellaneous fees. This amount excluded the $7.7 million of deferred underwriting fees related to the SCS initial public offering as described in note (2) above, any amounts relating to the ProKidney Promissory Notes, which were repaid at the Closing, and other SCS transaction costs.

(6) Represents repayment of amounts drawn on ProKidney Promissory Notes as well as SCS' unsecured promissory note with SCS Sponsor III LLC, (the "Sponsor").

(7) Repayment of related party advance.

(b) Reflects the liquidation and reclassification of investments held in the Trust Account to cash and cash equivalents.

(c) Represents reclassification of Legacy ProKidney deferred offering costs incurred through March 31, 2022 to additional paid in capital as an offset to the proceeds from the transaction.

(d) Reflects repayment of amounts drawn on the ProKidney Promissory Notes as well as SCS' unsecured promissory note with the Sponsor.

(e) Repayment of related party advance.

(f) Reflects the payment of $7.7 million of underwriters' fees deferred by SCS for which payment is due upon the Closing.

(g) Upon the completion of the Business Combination, the combined company became a party to the Tax Receivable Agreement. Under the terms of the Tax Receivable Agreement, the combined company is required to pay to certain parties to the agreement 85% of the tax savings that it is deemed to realize in certain circumstances as a result of certain tax attributes that exist following the Transaction and that are created thereafter, including as a result of payments made under the Tax Receivable Agreement. The combined company does not expect to record net deferred tax assets related to the tax basis adjustments associated with the exchange of Paired Interests as those deferred tax assets are not more likely than not expected to be realized in accordance with ASC 740—Income Taxes. Accordingly, the combined company has not recorded a liability related to the Tax Receivable Agreement as of December 31, 2021, as the liability is not considered to be probable in accordance with ASC 450—Contingencies.

(h) Reflects the reclassification of SCS Class A ordinary shares, giving effect to the redemption of 22,829,769 SCS Class A ordinary shares.

(i) As discussed in Note 1 to these unaudited pro forma condensed consolidated financial statements, the combined company will consolidate Legacy ProKidney, but does not own 100% of the economic interest in Legacy ProKidney. The noncontrolling interest reflecting actual redemptions is 74.5%.

(j) Reflects the gross proceeds of $574.8 million, net of an adjustment for the associated par value, from the issuance and sale of 57,480,000 ProKidney Class A ordinary shares at $10.00 per share pursuant to the Subscription Agreements entered into with PIPE Investors in connection with the PIPE Investment.

(k) Represents the recapitalization of the Legacy ProKidney Class A and Class B Units upon issuance of ProKidney Class B ordinary shares and Class B PMEL RSRs to Closing ProKidney Unitholders.

(l) Represents pro forma adjustments to additional paid in capital to reflect the following:

(in thousands)	**Note**		
PIPE Financing	(j)	$	574,743
Reclassification of common stock subject to redemption to permanent equity	(h)		21,735
Issuance of Class B ordinary shares to existing ProKidney owners	(k)		(18)
Transaction related fees	(m)		(37,300)
Issuance of Earnout Shares	(n)		-
Reclassification of ProKidney deferred offering costs to equity upon close	(c)		(6,905)
Noncontrolling interest	(i)		(410,388)
Adjusted additional paid in capital		**$**	**141,867**

(m) Represents transaction costs of $37.3 million incurred by Legacy ProKidney prior to, or concurrent with, the Closing that were cash settled upon Closing in accordance with the Business Combination Agreement. Of that amount, approximately $17.5 million related to investment transaction fees; $11.9 million related to equity financing fees associated with the PIPE financing and the remaining $7.9 million related to direct and incremental costs such as legal, tax, accounting, third-party advisory and other miscellaneous fees. This amount excluded the $7.7 million of deferred underwriting fees related to the SCS initial public offering as described in note (2) above, any amounts relating to the ProKidney Promissory Notes, which were repaid at the Closing, and other SCS transaction costs.

(n) Represents the issuance of 17,500,000 Earnout Rights to Earnout Participants upon Closing. As discussed in Note 2 to the unaudited condensed consolidated financial statements, the adjustment to recognize the Earnout Rights would have no net impact on any financial statement line item as it would simultaneously increase and decrease additional paid-in capital.

(o) Represents the exchange of SCS Class A ordinary shares, SCS Class B ordinary shares and related director restricted stock units held by the Sponsor and an independent director of SCS for ProKidney Class A ordinary shares.

Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations for the Six Months Ended June 30, 2022

(aa) Represents the adjustment to eliminate interest income related to the investment held in Trust Account.

(bb) Does not reflect a pro forma adjustment to income tax expense as Legacy ProKidney has historically been in a net loss position. Legacy ProKidney files as a partnership for federal and state income tax purposes. As such, each partner is responsible for reporting income or loss to the extent required by federal and state income tax regulations, based upon their respective share of Legacy ProKidney income and expenses. ProKidney-US is a limited liability company and has elected to be treated as a C corporation, therefore, a provision for federal and state taxes has been recorded. Income tax expense of the combined company may differ from historical results due to the change in structure of ProKidney.

(cc) Represents the adjustment for the net loss attributable to noncontrolling interest. The noncontrolling interest, giving effect to redemptions, is 74.5%.

(dd) Represents the income per share calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination, assuming the shares were outstanding since January 1, 2021. As the Business Combination and related equity transactions are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net income per share assumes that the shares issuable relating to the Business Combination were outstanding for the entirety of the period presented.