

OMB APPROVAL	
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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Athyrium Capital Management, LP</u> <hr/> (Last) (First) (Middle) 505 FIFTH AVENUE, FLOOR 18 <hr/> (Street) NEW YORK NY 10017 <hr/> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 06/18/2020	3. Issuer Name and Ticker or Trading Symbol <u>PROGENITY, INC.</u> [PROG]	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year)
		6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Unsecured Convertible Promissory Note	(1)	(1)	Common Stock	1,079,097	(1)	I	See footnotes ⁽²⁾⁽³⁾
Series B Preferred Stock	(4)	(4)	Common Stock	16,467,504	(4)	I	See footnotes ⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾
Series B Preferred Stock Purchase Warrant	(8)	10/27/2022	Common Stock	359,699	(8)	I	See footnotes ⁽³⁾⁽⁹⁾

1. Name and Address of Reporting Person* <u>Athyrium Capital Management, LP</u> <hr/> (Last) (First) (Middle) 505 FIFTH AVENUE, FLOOR 18 <hr/> (Street) NEW YORK NY 10017 <hr/> (City) (State) (Zip)
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1. Name and Address of Reporting Person* <u>Ferrell Jeffrey</u> <hr/> (Last) (First) (Middle) 505 FIFTH AVENUE, FLOOR 18 <hr/> (Street) NEW YORK NY
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(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Athyrium Capital Holdings, LLC](#)

(Last) (First) (Middle)

505 FIFTH AVENUE, FLOOR 18

(Street)

NEW YORK NY 10017

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Athyrium Funds GP Holdings LLC](#)

(Last) (First) (Middle)

505 FIFTH AVENUE, FLOOR 18

(Street)

NEW YORK NY 10017

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Athyrium Opportunities Advisers LLC](#)

(Last) (First) (Middle)

1290 AVENUE OF THE AMERICAS

(Street)

NEW YORK NY 10104

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[NB Alternatives Advisers LLC](#)

(Last) (First) (Middle)

1290 AVENUE OF THE AMERICAS

(Street)

NEW YORK NY 10104

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[NB Alternatives GP Holdings LLC](#)

(Last) (First) (Middle)

1290 AVENUE OF THE AMERICAS

(Street)

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1. Name and Address of Reporting Person*

[NB Alternatives Holdings LLC](#)

(Last) (First) (Middle)

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NEW YORK NY 10104

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Explanation of Responses:

1. The Unsecured Convertible Promissory Note (the "Convertible Note") has a maturity date of May 8, 2022 and is convertible at the option of the holder into shares of Series B Preferred Stock with an initial conversion price of \$2.25 per share (subject to certain anti-dilution adjustments), but will automatically be converted into shares of the Issuer's common stock in connection with the Issuer's initial public offering. The number of shares of common stock issuable upon such conversion is calculated by dividing (i) the outstanding principal amount of the Convertible Note by (ii) the lesser of (A) the conversion price then in effect and (B) the product of (I) the price specified in the final prospectus with respect to the public offering and (II) eighty percent (80%).
2. The Convertible Note is owned directly by Athyrium Opportunities 2020 LP. Athyrium Opportunities Associates III GP LLC is the general partner of Athyrium Opportunities Associates III LP, which is the general partner of Athyrium Opportunities 2020 LP. Athyrium Funds GP Holdings, LLC is the managing member of Athyrium Opportunities Associates III GP LLC. Jeffrey Ferrell is the managing member of Athyrium Funds GP Holdings, LLC and President of Athyrium Opportunities Associates III GP LLC.
3. Each of the Reporting Persons disclaims beneficial ownership of the securities reported herein, except to the extent of such Reporting Person's pecuniary interest therein.
4. The Series B Preferred Stock (the "Series B Preferred Stock") is convertible into shares of common stock of the Issuer at any time at the option of the holders thereof and has no stated maturity or expiration date. The Series B Preferred Stock will automatically be converted into shares of the Issuer's common stock upon the completion of the Issuer's initial public offering at a conversion rate of 6.178 shares of common stock per share of Series B Preferred Stock, with such conversion rate subject to certain anti-dilution adjustments.
5. The shares of Series B Preferred Stock are owned directly by Athyrium Opportunities Fund (A) LP, Athyrium Opportunities Fund (B) LP, Athyrium Opportunities III Acquisition 2 LP and Athyrium Opportunities III Co-Invest 1 LP in an amount exercisable in 3,786,098, 2,093,586, 6,834,284 and 3,753,536 shares of common stock, respectively. Athyrium Opportunities Associates III GP LLC is the general partner of Athyrium Opportunities Associates III LP, which is the general partner of Athyrium Opportunities III Acquisition 2 LP. Athyrium Opportunities Associates Co-Invest LLC is the general partner of Athyrium Opportunities III Co-Invest 1 LP. Athyrium Opportunities Associates GP LLC is the general partner of Athyrium Opportunities Associates LP, which is the general partner of each of Athyrium Opportunities Fund (A) LP and Athyrium Opportunities Fund (B) LP. Athyrium Opportunities Advisers LLC is the investment adviser of each of Athyrium Opportunities Fund (A) LP
6. (Continue from Footnote 5) and Athyrium Opportunities Fund (B) LP. Athyrium Capital Management, LP is a member of Athyrium Opportunities Associates GP LLC and an investment sub-adviser of Athyrium Opportunities Advisers LLC. NB Alternatives GP Holdings LLC is also a member of Athyrium Opportunities Associates GP LLC. NB Alternatives Holdings LLC is the sole member of NB Alternatives GP Holdings LLC and is a member of NB Alternatives Advisers LLC. NB Alternatives Advisers LLC is the sole member of Athyrium Opportunities Advisers LLC. Athyrium Funds GP Holdings, LLC is the managing member of Athyrium Opportunities Associates Co-Invest LLC and Athyrium Opportunities Associates III GP LLC. Athyrium Capital Holdings, LLC is the general partner of Athyrium Capital Management, LP.
7. (Continue from Footnote 6) Jeffrey A. Ferrell is the managing member of Athyrium Capital Holdings, LLC and Athyrium Funds GP Holdings, LLC and the President of Athyrium Capital Management, LP, Athyrium Opportunities Associates Co-Invest LLC, Athyrium Opportunities Associates III GP LLC, and Athyrium Opportunities Associates GP LLC.
8. The Series B Preferred Stock Purchase Warrant (the "Warrant") is exercisable for Series B Preferred Stock at an exercise price of \$2.25 per share (subject to certain anti-dilution adjustments) at any time at the option of the holders thereof or at its scheduled maturity on October 27, 2022. Upon the completion of the Issuer's initial public offering, the Warrant will automatically become exercisable for a number shares of common stock equal to the number of shares of common stock that would be issuable upon conversion of the shares of Series B Preferred Stock subject to purchase pursuant to the Warrant as of the date of consummation of such initial public offering.
9. The Warrant is owned directly by Athyrium Opportunities III Co-Invest 1 LP. Athyrium Opportunities Associates Co-Invest LLC is the general partner of Athyrium Opportunities III Co-Invest 1 LP. Athyrium Funds GP Holdings, LLC is the managing member of Athyrium Opportunities Associates Co-Invest LLC. Jeffrey A. Ferrell is the managing member of Athyrium Funds GP Holdings, LLC.

Remarks:

Because no more than 10 reporting persons can file any one Form 3 through the Securities and Exchange Commission's EDGAR system, certain affiliates of the Reporting Persons have filed a separate Form 3.

/s/ Athyrium Capital Management, LP, by Jeffrey A. Ferrell, President 06/18/2020

/s/ Athyrium Capital Holdings, LLC, by Jeffrey A. Ferrell, Managing Member 06/18/2020

/s/ Athyrium Funds GP Holdings LLC, by Jeffrey A. Ferrell, Managing Member 06/18/2020

/s/ Athyrium Opportunities Advisers LLC, by Christian Neira, Authorized Signatory 06/18/2020

/s/ NB Alternatives Advisers LLC, by Christian Neira, Authorized Signatory 06/18/2020

/s/ NB Alternatives GP Holdings LLC, by Christian Neira, Authorized Signatory 06/18/2020

/s/ NB Alternatives Holdings LLC, by Christian Neira, Authorized Signatory 06/18/2020

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.