

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION

Washington, D.C. 20549

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF
SECURITIES

OMB APPROVAL

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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>Shihabi Sami</u> (Last) (First) (Middle) <u>C/O PROGENITY, INC.</u> <u>4330 LA JOLLA VILLAGE DRIVE,</u> <u>SUITE 200</u> (Street) <u>SAN</u> <u>CA</u> <u>92122</u> <u>DIEGO</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>06/18/2020</u>	3. Issuer Name and Ticker or Trading Symbol <u>PROGENITY, INC. [PROG]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Commercial Officer</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person 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)
<u>Common Stock</u>	<u>40,374⁽¹⁾</u>	<u>D</u>	

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			
<u>Stock Option (Right to Buy)</u>	<u>(2)</u>	<u>01/15/2028</u>	<u>Common Stock</u>	<u>36,419</u>	<u>9.88</u>	<u>D</u>	
<u>Stock Option (Right to Buy)</u>	<u>(3)</u>	<u>02/22/2028</u>	<u>Common Stock</u>	<u>4,046</u>	<u>9.88</u>	<u>D</u>	
<u>Stock Option (Right to Buy)</u>	<u>(4)</u>	<u>04/15/2029</u>	<u>Common Stock</u>	<u>16,186</u>	<u>9.88</u>	<u>D</u>	
<u>Stock Option (Right to Buy)</u>	<u>(5)</u>	<u>04/15/2029</u>	<u>Common Stock</u>	<u>12,139</u>	<u>9.88</u>	<u>D</u>	
<u>Stock Option (Right to Buy)</u>	<u>(6)</u>	<u>11/15/2029</u>	<u>Common Stock</u>	<u>16,186</u>	<u>9.88</u>	<u>D</u>	
<u>Stock Option (Right to Buy)</u>	<u>(7)</u>	<u>03/04/2030</u>	<u>Common Stock</u>	<u>10,783</u>	<u>9.76</u>	<u>D</u>	
<u>Stock Option (Right to Buy)</u>	<u>(8)</u>	<u>03/04/2030</u>	<u>Common Stock</u>	<u>19,423</u>	<u>9.76</u>	<u>D</u>	

Explanation of Responses:

1. Consists of 40,374 restricted stock units ("RSUs"), 4,678 of which have vested. Subject to the Reporting Person's continued service to the Issuer, (i) 6,385 RSUs will vest on March 4, 2021, (ii) 2,427 RSUs will vest on May 15, 2021, and (iii) 6,069 RSUs will vest on April 15, 2023. All other unvested RSUs will vest in semi-annual installments, subject to the Reporting Person's continued service to the Issuer, (i) beginning on February 15, 2021 and ending on February 15, 2022 for 885 RSUs, (ii) beginning on February 15, 2021 and ending on August 15, 2023 for 5,732 RSUs, (iii) beginning on February 15, 2021 and ending on February 15, 2024 for 6,912 RSUs, and (iv) beginning on November 15, 2021 and ending on May 15, 2024 for 7,284 RSUs.

2. This option represents the right to purchase a total of 36,419 shares of the Issuer's common stock, 22,003 of which have vested, with the remaining shares vesting in equal monthly installments through January 1, 2022, subject to the Reporting Person's continued service to the Issuer.

3. This option represents the right to purchase a total of 4,046 shares of the Issuer's common stock, 2,360 of which have vested, with the remaining shares vesting in equal monthly installments through March 15, 2022, subject to the Reporting Person's continued service to the Issuer.

4. This option represents the right to purchase a total of 16,186 shares of the Issuer's common stock, 4,721 of which have vested, with the remaining shares vesting in equal monthly installments through April 15, 2023, subject to the Reporting Person's continued service to the Issuer.

5. This option represents the right to purchase a total of 12,139 shares of the Issuer's common stock and will vest in full on April 15, 2023, subject to the Reporting Person's continued service to the Issuer.

6. This option represents the right to purchase a total of 16,186 shares of the Issuer's common stock, 2,360 of which have vested, with the remaining shares vesting in equal monthly installments through December 15, 2023, subject to the Reporting Person's continued service to the Issuer.

7. This option represents the right to purchase 10,783 shares of the Issuer's common stock, all of which have vested.

8. This option represents the right to purchase a total of 19,423 shares of the Issuer's common stock, 1,213 of which have vested, with the remaining shares vesting in equal monthly installments through March 15, 2024, subject to the Reporting Person's continued service to the Issuer.

Remarks:

Exhibit 24 - Power of Attorney

/s/ Clarke Neumann,
Attorney-in-fact for Sami 06/18/2020
Shihabi

** 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.

POWER OF ATTORNEY

Know all by these presents that the undersigned hereby constitutes and appoints each of Eric d'Esparbes, Regan Lauer, Clarke Neumann and Will Pridgen, and any of their substitutes, signing singly, as the undersigned's true and lawful attorney-in-fact to:

1. prepare, execute in the undersigned's name and on the undersigned's behalf, and submit to the U.S. Securities and Exchange Commission (the "SEC") a Form ID, including amendments thereto, and any other document necessary or appropriate to obtain codes, passwords, and passphrases enabling the undersigned to make electronic filings with the SEC of reports require by the Securities Exchange Act of 1934 or any rule or regulation of the SEC;
2. execute for and on behalf of the undersigned, in the undersigned's capacity as a director and/or officer of Progenity, Inc. (the "Company"), Forms 3, 4, and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder;
3. do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4, or 5, complete and execute any amendment or amendments thereto, and timely file such form with the SEC and any securities exchange or similar authority; and
4. take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that each such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned also ratifies hereby any action previously taken by each attorney-in-fact that would have been authorized by this power of attorney if it has been in effect at the time such action was taken. The undersigned acknowledges that each attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934, as amended.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to each of the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 4th day of June, 2020.

/s/ Sami Shihabi
