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

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2021.

Commission File Number: 001-40627

SOPHiA GENETICS SA

(Exact name of registrant as specified in its charter)

Rue du Centre 172
CH-1025 Saint-Sulpice
Switzerland
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

SIGNATURE

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.

SOPHiA GENETICS SA

Date: September 9, 2021

By:	/s/ Daan van Well
Name:	Daan van Well
Title:	Chief Legal Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited condensed interim consolidated financial statements as of and for the three and six months ended June 30, 2021
99.2	Management's discussion and analysis of financial condition and results of operations
99.3	Press Release dated September 9, 2021

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SOPHiA GENETICS SA

Unaudited Interim Condensed Consolidated Financial Statements

SOPHiA GENETICS SA, Saint-Sulpice
Interim Condensed Consolidated Statement of Loss
(Amounts in USD thousands, except per share data)
(Unaudited)

	Notes	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Revenue	**4,5**	**$ 10,178**	**$ 5,916**	**$ 19,154**	**$ 13,397**
Cost of revenue		(3,948)	(1,950)	(7,307)	(4,863)
Gross profit		**6,230**	**3,966**	**11,847**	**8,534**
Research and development costs		(6,385)	(3,765)	(12,565)	(8,396)
Selling and marketing costs		(7,573)	(3,788)	(12,455)	(9,138)
General and administrative costs		(8,224)	(3,522)	(16,857)	(7,524)
Other operating income (expense), net		28	69	52	(145)
Operating loss		**(15,924)**	**(7,040)**	**(29,978)**	**(16,669)**
Finance income (expense), net		(2,426)	(797)	(865)	(1,687)
Loss before income taxes		**(18,350)**	**(7,837)**	**(30,843)**	**(18,356)**
Income tax (expense)		(40)	(18)	(215)	(36)
Loss for the period		**(18,390)**	**(7,855)**	**(31,058)**	**(18,392)**
Attributable to the owners of the parent		**$ (18,390)**	**$ (7,855)**	**$ (31,058)**	**$ (18,392)**
Loss per share					
Basic and diluted loss per share	**7**	$ (0.38)	$ (0.20)	$ (0.64)	$ (0.48)

The notes form an integral part of these unaudited interim condensed consolidated financial statements.

SOPHiA GENETICS SA, Saint-Sulpice
Interim Condensed Consolidated Statement of Comprehensive Loss
(Amounts in USD thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Loss for the period	**$ (18,390)**	**$ (7,855)**	**$ (31,058)**	**$ (18,392)**
Other comprehensive loss:				
Items that may be reclassified to loss (net of tax)				
Currency translation differences	2,302	196	(4,721)	200
Total items that may be reclassified to loss	**$ 2,302**	**$ 196**	**$ (4,721)**	**$ 200**
Other comprehensive income (loss) for the period	**$ 2,302**	**$ 196**	**$ (4,721)**	**$ 200**
Total comprehensive loss for the period	**$ (16,088)**	**$ (7,659)**	**$ (35,779)**	**$ (18,192)**
Attributable to owners of the parent	**$ (16,088)**	**$ (7,659)**	**$ (35,779)**	**$ (18,192)**

The notes form an integral part of these unaudited interim condensed consolidated financial statements.

SOPHiA GENETICS SA, Saint-Sulpice
Interim Condensed Consolidated Balance Sheet
(Amounts in USD thousands)

	Notes	(Unaudited) June 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		$ 42,487	$ 74,625
Term deposits and short-term investments		21,647	22,720
Accounts receivable, net	**6**	7,514	6,363
Inventory		3,667	3,384
Prepaids and other current assets		4,930	2,602
Total current assets		**80,245**	**109,694**
Non-current assets			
Property and equipment, net		2,559	1,772
Intangible assets, net		13,899	13,282
Right-of-use assets		3,114	3,767
Deferred tax asset		2,030	2,114
Other non-current assets		2,194	1,486
Total non-current assets		**23,796**	**22,421**
Total assets		**$ 104,041**	**$ 132,115**
Liabilities and equity			
Current liabilities			
Accounts payable		$ 6,248	$ 5,907
Accrued expenses		10,750	9,081
Deferred contract revenue	**5**	4,083	2,642
Current portion of borrowings	**9**	—	2,873
Current portion of lease liabilities		967	1,036
Other current liabilities	**8**	2,859	48
Total current liabilities		**24,907**	**21,587**
Non-current liabilities			
Deferred contract revenue, net of current portion	**5**	138	142
Borrowings, net of current portion	**9**	—	457
Lease liabilities, net of current portion		2,314	2,883
Defined benefit pension liabilities		5,247	5,158
Other non-current liabilities		341	1,378
Total non-current liabilities		**8,040**	**10,018**
Total liabilities		**32,947**	**31,605**
Equity			
Share capital		2,529	2,460
Share premium		231,887	227,429
Other reserves		5,415	8,300
Accumulated deficit		(168,737)	(137,679)
Total equity		**71,094**	**100,510**
Total liabilities and equity		**$ 104,041**	**$ 132,115**

The notes form an integral part of these unaudited interim condensed consolidated financial statements.

SOPHiA GENETICS SA, Saint-Sulpice
Interim Condensed Consolidated Statement of Changes in Equity
(Amounts in USD thousands, except share data)
(Unaudited)

	Notes	Shares	Share capital	Share premium	Other reserves	Accumulated deficit	Total
As of January 1, 2021		**47,955,700**	**$ 2,460**	**$ 227,429**	**$ 8,300**	**$ (137,679)**	**$ 100,510**
Loss for the period			—	—	—	(31,058)	(31,058)
Other comprehensive loss			—	—	(4,721)	—	(4,721)
Total comprehensive loss			**—**	**—**	**(4,721)**	**(31,058)**	**(35,779)**
Share-based compensation	**10**		—	—	1,836	—	1,836
Transactions with owners							
Share options exercised		1,271,290	69	4,458	—	—	4,527
As of June 30, 2021		**49,226,990**	**$ 2,529**	**$ 231,887**	**$ 5,415**	**$ (168,737)**	**$ 71,094**

	Notes	Shares	Share capital	Share premium	Other reserves	Accumulated deficit	Total
As of April 1, 2021		**48,129,200**	**$ 2,469**	**$ 228,037**	**$ 1,916**	**$ (150,347)**	**$ 82,075**
Loss for the period			—	—	—	(18,390)	(18,390)
Other comprehensive loss			—	—	2,302	—	2,302
Total comprehensive loss			**—**	**—**	**2,302**	**(18,390)**	**(16,088)**
Share-based compensation	**10**		—	—	1,197	—	1,197
Transactions with owners							
Share options exercised		1,097,790	60	3,850	—	—	3,910
As of June 30, 2021		**49,226,990**	**$ 2,529**	**$ 231,887**	**$ 5,415**	**$ (168,737)**	**$ 71,094**

	Notes	Shares	Share capital	Share premium	Other reserves	Accumulated deficit	Total
As of January 1, 2020		**38,319,760**	**$ 1,947**	**$ 119,227**	**$ (581)**	**$ (98,340)**	**$ 22,253**
Loss for the period			—	—	—	(18,392)	(18,392)
Other comprehensive loss			—	—	200	—	200
Total comprehensive loss			**—**	**—**	**200**	**(18,392)**	**(18,192)**
Share-based compensation	**10**		—	—	584	—	584
Transactions with owners							
Share options exercised		105,000	5	341	—	—	346
Issue of share capital, net of transaction costs		5,664,480	298	64,369	—	—	64,667
As of June 30, 2020		**44,089,240**	**$ 2,250**	**$ 183,937**	**$ 203**	**$ (116,732)**	**$ 69,658**

	Notes	Shares	Share capital	Share premium	Other reserves	Accumulated deficit	Total
As of April 1, 2020		**38,419,260**	**$ 1,952**	**$ 119,549**	**$ (307)**	**$ (108,877)**	**$ 12,317**
Loss for the period			—	—	—	(7,855)	(7,855)
Other comprehensive loss			—	—	196	—	196
Total comprehensive loss			**—**	**—**	**196**	**(7,855)**	**(7,659)**
Share-based compensation	**10**		—	—	314	—	314
Transactions with owners							
Share options exercised		5,500	—	19	—	—	19
Issue of share capital, net of transaction costs		5,664,480	298	64,369	—	—	64,667
As of June 30, 2020		**44,089,240**	**$ 2,250**	**$ 183,937**	**$ 203**	**$ (116,732)**	**$ 69,658**

The notes form an integral part of these unaudited interim condensed consolidated financial statements.

SOPHiA GENETICS SA, Saint-Sulpice
Interim Condensed Consolidated Statement of Cash Flows
(Amounts in USD thousands)
(Unaudited)

	Notes	Six months ended June 30, 2021	2020
Operating activities			
Loss before tax		$ (30,843)	$ (18,356)
Adjustments for non-monetary items			
Depreciation		892	869
Amortization		490	263
Interest expense		1,937	679
Interest income		(8)	(20)
Expected credit loss allowance		(335)	441
Other non-cash items of income and expense	**11**	2,158	932
Working capital changes			
(Increase) decrease in accounts receivable		(910)	1,563
(Increase) decrease in other current assets		(1,070)	618
(Increase) decrease in inventory		(482)	(168)
Increase (decrease) in accounts payables		2,067	1,401
Cash used in operating activities			
Income tax refund received		—	148
Interest paid		(244)	(395)
Interest received		3	9
Net cash flows used in operating activities		**(26,345)**	**(12,016)**
Investing activities			
Purchase of property and equipment		(1,245)	(184)
Acquisition of intangible assets		(70)	(209)
Capitalized development costs		(1,641)	(1,289)
Net cash flow used in investing activities		**(2,956)**	**(1,682)**
Financing activities			
Proceeds from issuance of share capital, net of transaction costs		—	64,667
Payments of IPO transaction costs		(318)	—
Proceeds from exercise of share options		4,527	346
Proceeds from borrowings	**9**	—	15,433
Repayments of borrowings	**9**	(3,167)	(7,296)
Payments of principal portion of lease liabilities		(509)	(481)
Net cash flow provided (used) in financing activities		**533**	**72,669**
Increase (decrease) in cash and cash equivalents		**(28,768)**	**58,971**
Effect of exchange differences on cash balances		(3,370)	446
Cash and cash equivalents at beginning of the period		74,625	18,069
Cash and cash equivalents at end of the period		**$ 42,487**	**$ 77,486**

The notes form an integral part of these unaudited interim condensed consolidated financial statements.

1. Company information

General information

SOPHiA GENETICS SA and its consolidated subsidiaries ("the Company") is a limited liability healthcare technology company, incorporated on March 18, 2011, and headquartered in Saint-Sulpice, Switzerland. The Company is dedicated to establishing the practice of data-driven medicine as the standard of care in healthcare and for life sciences research. The Company has built a cloud-based software-as-a-service ("SaaS") platform capable of analyzing data and generating insights from complex multimodal datasets and different diagnostic modalities. This platform, commercialized as "SOPHiA DDM," standardizes, computes and analyzes digital health data and is used in decentralized locations to break down data silos.

As of June 30, 2021, and throughout the period since January 1, 2020, the Company had the following wholly owned subsidiaries:

Name	Country of domicile
SOPHiA GENETICS S.A.S.	France
SOPHiA GENETICS LTD	UK
SOPHiA GENETICS, Inc.	USA
SOPHiA GENETICS Intermediação de Negócios EIRELI	Brazil

Interactive Biosoftware S.A.S., a wholly owned subsidiary located in France and acquired in 2018, was merged into SOPHiA GENETICS S.A.S. in 2020.

On April 9, 2021, SOPHiA GENETICS PTY LTD, a wholly owned subsidiary located in Australia, was incorporated.

On May 27, 2021, SOPHiA GENETICS S.R.L., a wholly owned subsidiary located in Italy, was incorporated.

The Company's Board of Directors approved the issue of the unaudited interim condensed consolidated financial statements on September 9, 2021.

Basis of preparation

Compliance with International Financial Reporting Standards

These unaudited interim condensed consolidated financial statements as of and for the three months ended and six months ended June 30, 2021, of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* ("IAS 34") and should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2020.

Accounting policies

The significant accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements as of and for the year ended December 31, 2020, and have been consistently applied, unless otherwise stated. Where expense is definitively calculated only on an annual basis, as is the case for income taxes and pension costs, appropriate estimates are made for interim reporting periods.

Income tax expense

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to the expected annual profit or loss of each of the Company entities.

Post-employment defined benefit plan expense

Post-employment defined benefit plan expense in interim reporting periods is recognized on the basis of the current year cost estimate made by the actuaries in their annual report as of the end of the preceding year.

New standards, amendments to standards and interpretations not yet adopted

There are no new IFRS standards, amendments to standards or interpretations that are mandatory for the financial year beginning on January 1, 2021, that are relevant to the Company and that have had any impact in the interim period. New standards, amendments to standards and interpretations that are not yet effective, which have been deemed by the Company as currently not relevant, are not listed here.

Critical estimates and judgements

The preparation of the unaudited interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions. Information regarding accounting areas where such judgements, estimates and assumptions are of particular significance is set out in the annual consolidated financial statements under “Critical estimates and judgements”.

Going concern basis

These unaudited interim condensed consolidated financial statements have been prepared on a going concern basis.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for assets and liabilities, which are carried at fair value.

Share split

On June 30, 2021, the Company effected a one to twenty share split of its outstanding shares. Accordingly, all share and per share amounts for all periods presented in these consolidated financial statements and notes thereto have been adjusted retroactively, where applicable, to reflect this share split.

2. Fair Value

As of June 30, 2021, the carrying amount was a reasonable approximation of fair value for the following financial assets and liabilities:

- Cash and cash equivalents
- Term deposits and short-term investments
- Accounts receivable, net
- Other non-current assets—lease deposits and lease receivable
- Accounts payable
- Lease liabilities
- Borrowings

The carrying amount for derivatives is at fair value.

In the six months ended June 30, 2021, there were no significant changes in the business or economic circumstances that affected the fair value of the Company’s financial assets and financial liabilities.

3. Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks including credit and counterparty risk, funding and liquidity risk and market risk (i.e., foreign currency risk and interest rate risk). The unaudited interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s consolidated financial statements as of December 31, 2020. There have been no significant changes in financial risk management since year-end.

4. Segment Reporting

The Company operates in a single operating segment. The Company's financial information is reviewed, and its performance is assessed as a single segment by the senior management team led by the Chief Executive Officer ("CEO"), the Company's Chief Operating Decision Maker ("CODM").

An analysis of revenue by destination country is presented below (in USD thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
France	$ 1,957	$ 1,229	$ 3,853	$ 2,757
Italy	1,387	603	2,734	1,437
United States	1,008	555	1,773	1,233
Spain	1,041	440	1,866	1,041
Brazil	310	209	585	895
Austria	504	233	993	554
Turkey	600	207	984	538
Germany	269	254	685	591
United Kingdom	374	197	705	504
Switzerland	307	773	694	1,022
Other	2,421	1,216	4,282	2,825
Total revenue	**$ 10,178**	**$ 5,916**	**$ 19,154**	**$ 13,397**

5. Revenue

Revenue streams

The Company's revenue from contracts with customers has been allocated to the revenue streams indicated in the table below (in USD thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
SOPHiA platform	$ 9,823	$ 5,589	$ 18,562	$ 12,868
Workflow equipment and services	355	327	592	529
Total revenue	**$ 10,178**	**$ 5,916**	**$ 19,154**	**$ 13,397**

Contract assets and liabilities

The timing of revenue recognition and billings can result in accrued contract revenue and deferred contract costs, which are presented within other current assets and other non-current assets in the unaudited interim condensed consolidated balance sheet, and deferred contract revenue, which is presented on the face of the unaudited interim condensed consolidated balance sheet.

Accrued contract revenue

The following table presents accrued contract revenue less any estimated credit loss allowance (in USD thousands):

	June 30, 2021	December 31, 2020
Accrued contract revenue before loss allowance	$ 293	$ 262
Loss allowance	—	—
Accrued contract revenue net of loss allowance	**$ 293**	**$ 262**

Deferred contract costs

The following table presents the current and non-current contracts costs included within the other current assets and other non-current assets, respectively (in USD thousands):

	June 30, 2021	December 31, 2020
Current	$ 130	$ 18
Non-current	2	—
Total deferred contract cost	**$ 132**	**$ 18**

Deferred contract revenue

The following table presents the current and non-current deferred revenue on the unaudited interim condensed consolidated balance sheet (in USD thousands):

	June 30, 2021	December 31, 2020
Current	$ 4,083	$ 2,642
Non-current	138	142
Total deferred contract revenue	**$ 4,221**	**$ 2,784**

6. Accounts receivable

The following table presents the accounts receivable and lease receivable less the expected credit loss (in USD thousands):

	June 30, 2021	December 31, 2020
Accounts receivable	$ 9,227	$ 8,877
Lease receivable	290	150
Allowance for expected credit losses	(2,003)	(2,664)
Net accounts receivable	**$ 7,514**	**$ 6,363**

The following table provides a roll-forward of the allowance for credit losses for the six months ended June 30, 2021, that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected (in USD thousands):

	2021	2020
As of January 1	**$ 2,664**	**$ 1,831**
Increase	742	626
Reversals	(1,077)	(186)
Write-off	(256)	—
Currency translation differences	(70)	9
As of June 30	**$ 2,003**	**$ 2,280**

As of June 30, 2021, the Company’s largest customer balance represented 10% and 5% of accounts receivable as of June 30, 2021, and December 31, 2020, respectively. All customer balances that individually exceeded 1% of accounts receivable in aggregate amounted to $3.6 million and $4.5 million as of June 30, 2021, and December 31, 2020, respectively.

7. Loss per share

Share data have been revised to give effect to the share split explained in note 1, “Basis of preparation - Share split”.

The Company's shares comprise four classes of ordinary and preferred shares. Each share has a nominal value of 0.05 USD (0.05 CHF), regardless of share class. The net loss is allocated to each class pro rata to its weighted average number of shares in issue during the period. The basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the period. The table presents the loss allocated to each share class for the three and six months ended June 30, 2021 (in USD thousands, except shares and loss per share):

Three months ended June 30, 2021	**Ordinary shares**	**Class D preferred shares**	**Class E preferred shares**	**Class F preferred shares**	**Total**
Net loss attributed to shareholders	$ (9,156)	$ (3,094)	$ (2,637)	$ (3,503)	$ (18,390)
Weighted average number of shares in issue	24,355,828	8,230,220	7,014,040	9,316,940	48,917,028
Basic and diluted loss per share	**$ (0.38)**	**$ (0.38)**	**$ (0.38)**	**$ (0.38)**	**$ (0.38)**

Six months ended June 30, 2021	**Ordinary shares**	**Class D preferred shares**	**Class E preferred shares**	**Class F preferred shares**	**Total**
Net loss attributed to shareholders	$ (15,320)	$ (5,274)	$ (4,494)	$ (5,970)	$ (31,058)
Weighted average number of shares in issue	23,907,631	8,230,220	7,014,040	9,316,940	48,468,831
Basic and diluted loss per share	**$ (0.64)**	**$ (0.64)**	**$ (0.64)**	**$ (0.64)**	**$ (0.64)**

Three months ended June 30, 2020	**Ordinary shares**	**Class D preferred shares**	**Class E preferred shares**	**Class F preferred shares**	**Total**
Net loss attributed to shareholders	$ (4,700)	$ (1,669)	$ (1,422)	$ (64)	$ (7,855)
Weighted average number of shares in issue	23,180,194	8,230,220	7,014,040	314,693	38,739,147
Basic and diluted loss per share	**$ (0.20)**	**$ (0.20)**	**$ (0.20)**	**$ (0.20)**	**$ (0.20)**

Six months ended June 30, 2020	**Ordinary shares**	**Class D preferred shares**	**Class E preferred shares**	**Class F preferred shares**	**Total**
Net loss attributed to shareholders	$ (11,046)	$ (3,926)	$ (3,346)	$ (75)	$ (18,392)
Weighted average number of shares in issue	23,156,646	8,230,220	7,014,040	157,347	38,558,253
Basic and diluted loss per share	**$ (0.48)**	**$ (0.48)**	**$ (0.48)**	**$ (0.48)**	**$ (0.48)**

For the three and six months ended June 30, 2021, and 2020, the potential impact, on the calculation of loss per share, of the existing potential ordinary shares related to the share option plans 2013 and 2019 (see note 10, "Share-based compensation") is not presented, as the impact would be to dilute a loss, which causes them to be deemed "non-dilutive" for the purposes of the required disclosure.

8. Other current liabilities

Other current liabilities consist of the following (in USD thousands):

	June 30, 2021	**December 31, 2020**
Derivative	$ 2,721	—
Deferred government grant income for regional aid	—	48
Income tax payable	138	—
Total other current liabilities	**$ 2,859**	**$ 48**

The derivative included in the above table represents the fair value of a success fee payable to Triple Point Capital LLC ("Triple Point"), the providers of a loan repaid in 2020, upon an initial public offering of the Company or a sale of the Company. The approach used to determine the fair value of the derivative is based on a Monte Carlo simulation.

The following table presents the loss recognized by the Company on the derivative associated with the Triple Point loan (in USD thousands):

		2021
As of January 1	**$**	**1,024**
Loss on derivative		1,697
As of June 30	**$**	**2,721**

The Company recognized a loss of $1.7 million and $1.7 million to finance income (expense) on the Interim Condensed Consolidated Statement of Loss for the three and six months ended June 30, 2021. The Company recognized a loss of $0.2 million for the three and six months ended June 30, 2020.

9. Borrowings

The following is the activity of the Company's borrowings for the six months ended June 30, 2021, and December 31, 2020, respectively (in USD thousands):

		Borrowings
January 1, 2021	**$**	**3,330**
Principal repayments		(3,167)
Transfer to deferred government grant income		39
Interest accrued		50
Interest paid		(170)
Currency translation differences		(82)
June 30, 2021		**—**
January 1, 2020	**$**	**3,838**
New borrowing proceeds		15,839
Principal repayments		(16,529)
Transfer to deferred government grant income		(163)
Interest accrued		513
Interest paid		(435)
Currency translation differences		267
December 31, 2020		**3,330**
Current		*2,873*
Non-current		*457*
Total	**$**	**3,330**

$6.0 million (EUR 5.2 million) 9.75% loan

On June 18, 2018, the Company signed the Plain English Growth Capital Loan Agreement with Triple Point . The Company issued a Plain English Growth Capital Promissory Note and received a loan of $6.0 million (EUR 5.2 million). The purpose of the loan was to finance the acquisition of Interactive Biosoftware (IBS), a company based in France. The loan bore an annual interest of 9.75% (Prime Rate plus 4.75%) and the Company agreed to pay a terminal amount of $0.4 million (EUR 0.3 million) equal to 6.25% of this Promissory Note, on June 1, 2021 (end of term payment). This 3-year borrowing was payable in monthly installments with principal repayments starting as of January 1, 2019. The loan was subject to a number of general covenants. The interest expense was calculated by applying the effective interest rate method to the initial fair value of the loan and to the actual cash outflows resulting from the payment of interest and repayment of the principal. The loan was subsequently carried at amortized cost.

In addition, the Company agreed to pay to Triple Point a success fee upon an initial public offering of the Company or a sale of the Company. The obligation to make this success fee payment has been accounted for as an embedded derivative.

The loan was repaid early, on November 16, 2020, at an amount equivalent to the principal, plus both the interest accrued at the nominal amount up to the date of repayment and the terminal payment. However, the Company still has the conditional obligation to pay to Triple Point the success fee.

COVID loans

During 2020, the Company took advantage of financing opportunities put in place by governments in jurisdictions where it has its affiliates in order to support businesses during the spread of the COVID- 19 pandemic.

The following loans were granted:

- On March 26, 2020, SOPHiA GENETICS SA was granted a $0.5 million (CHF 0.5 million) loan from Credit Suisse maturing on March 26, 2025. This loan carried an interest of 0% and was scheduled to be repaid in eight equal semi- annual installments starting on September 26, 2021. The Company repaid this loan early on March 26, 2021, using cash on hand.

- On May 29, 2020, SOPHiA GENETICS SAS was granted a $1.6 million (EUR 1.4 million) loan from Credit Agricole Pyrénées Gascogne maturing on May 31, 2021. This loan carried an interest rate of 0% and was subject to a 0.25% state guarantee fee. It was repaid on maturity.

- On May 29, 2020, SOPHiA GENETICS SA was granted a $1.0 million (CHF 1.0 million) loan from Credit Suisse maturing on January 31, 2021. This loan carried an interest rate of 1.175% and was repaid on maturity.

Credit Suisse loan

On April 1, 2021, the Company entered into a credit agreement (the “Credit Facility”) with Credit Suisse that provides for maximum borrowings of up to $3.3. million (EUR 2.7 million). Borrowings under the Credit Facility accrue interest at 3.95% per annum and are repayable in installations over 36 months. Borrowings under the Credit Facility can only be used to finance laboratory automation equipment for next generation sequencing (“NGS”) purposes. As of the date of these unaudited condensed interim consolidated financial statements, the Group had no borrowings outstanding under the Credit Facility.

During the period since January 1, 2020, the Company has not been subject to any externally imposed capital requirements.

10. Share-based compensation

Share data have been revised to give effect to the share split explained in note 1, “Basis of preparation - Share split”.

The plans

The Company has two share option plans; the Incentive Share Option Plan, launched in September 2013 (“the 2013 ISOP”), and the 2019 Incentive Share Option Plan, launched in March 2019 (“the 2019 ISOP”). Under these plans, directors may offer options to directors, employees and advisors. The exercise price of the share options is set at the time they are granted. Options, once vested, can be exchanged for an equal number of ordinary shares.

The options have a life of ten years. Options under the 2013 ISOP vest 50% after two years and a further 50% after one more year. Options under the 2019 ISOP vest 25% per year after each of the first four years. As of December 31, 2020, under both plans, in the event of a change of control or an initial public offering (“IPO”), all unvested shares vest immediately. On April 22, 2021, the Board amended the 2019 ISOP to the effect that, in the event of a successful IPO or public listing of the Company’s shares, only those unvested options that otherwise would vest within six months following the effective date of the IPO or such public listing should become fully vested immediately as of such date (accelerated vesting). The remaining unvested options (i.e., unvested options that would only vest after the six-month period following the effective date of the IPO or public listing) would not be subject to accelerated vesting and, subject to certain conditions, would vest on the basis of the original vesting schedule. Additionally, the Board instituted a black-out period, irrespective of a successful IPO or public listing of the Company, in which no options could be exercised from May 1, 2021, to December 31, 2021, and to accelerate the vesting of options that would otherwise vest during that period.

The Company assessed the amendment to the 2019 ISOP and concluded it resulted in a modification. As such, the Company assessed the valuation of the options immediately prior to and subsequently after the modification. As a result of the modification, the Company incurred an additional expense of $0.1 million and $0.1 million for the three months and six months ended June 30, 2021.

Stock Options

The expense recognized for services received during the three and six months ended June 30, 2021, is $1.2 million and $1.8 million, respectively.

The expense recognized for the services received during the three and six months ended June 30, 2020, is $0.3 million and $0.6 million, respectively.

2013 ISOP

Activity for the six months ended June 30, 2021, under the 2013 plan was as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life in years
January 1, 2021	**1,751,560**	**$ 3.10**	**6.39**
Exercised	(892,020)	3.00	—
June 30, 2021	**859,540**	**$ 2.75**	**5.59**

Activity for the six months ended June 30, 2020, under the 2013 plan was as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life in years
January 1, 2020	**2,026,560**	**$ 2.95**	**7.36**
Exercised	(96,000)	2.85	—
June 30, 2020	**1,930,560**	**$ 2.88**	**6.86**

2019 ISOP

Activity for the six months ended June 30, 2021, under the 2019 plans was as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life in years
January 1, 2021	**1,972,500**	**$ 4.22**	**7.70**
Granted	1,369,000	5.63	9.62
Forfeited	(22,500)	4.94	—
Exercised	(379,270)	4.00	—
June 30, 2021	**2,939,730**	**$ 4.84**	**9.12**

Activity for the six months ended June 30, 2020, under the 2019 plans was as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life in years
January 1, 2020	**679,000**	**$ 4.02**	**9.63**
Granted	953,000	4.00	9.77
Forfeited	(29,500)	4.00	—
Exercised	(9,000)	4.00	—
June 30, 2020	**1,593,500**	**$ 4.00**	**9.52**

Share options outstanding at the six months ended June 30, 2021

2013 ISOP

Options outstanding as of June 30, 2021, under the 2013 ISOP expire between 2021 and 2029.

The weighted average remaining contractual lives of options outstanding are 5.59 years and 6.86 years as of June 30, 2021, and 2020, respectively.

2019 ISOP

Options outstanding as of June 30, 2021, under the 2019 ISOP expire between 2029 and 2031.

The weighted average remaining contractual lives of options outstanding are 9.12 years and 9.52 years as of June 30, 2021, and 2020, respectively.

Measuring the cost of share options

The fair value of the options under both plans is measured at each grant date using an adjusted form of the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

For options up to September 2020, the fair value at grant date is independently determined using an adjusted form of the Black-Scholes option pricing model that takes into account the strike price, the fair value of the share at grant date, the expected life of the award, the expected price volatility of the underlying share, the risk-free interest rate for the term of the award and the expected dividend yield. For options granted on and subsequent to September 2020, the fair value at grant date is based on a probability-weighted expected returns method that takes account of both the value derived by using an adjusted form of the Black-Scholes option pricing model, as described above, and a discounted estimate of the price that might be achieved in a future transaction.

The Company has used an independent valuation firm to assist in calculating the fair value of the award grants per participant.

The key inputs used in the valuation model, for the stock options granted in the three and six months ended June 30, are outlined below. They relate entirely to the 2019 ISOP as no grants have been made under the 2013 ISOP since 2019.

2019 ISOP

	Three months ended June 30,		Six months ended June 30	
	2021	**2020**	**2021**	**2020**
Share price at grant date (in USD)	$ 6.05	$4.47 - $4.99	$ 6.05	$4.47 - $4.99
Expected life of share options (years)	6.05	5.71 - 6.31	6.05 - 6.19	5.67 - 6.43
Expected volatility	41.43%	40.58% - 43.11%	41.26% - 41.45%	39.86% - 43.56%
Risk free interest rate	(0.48)%	(0.72)% - (0.55)%	(0.63)% - (0.48)%	(0.80)% - (0.55)%
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%

The price of the ordinary shares at grant date, which represents a critical input into this model, has been determined on one of the following two bases:

- By reference to a contemporaneous transaction involving another class of share, using an adjusted form of the Black-Scholes option pricing model as described above, and considering the timing, amount, liquidation preferences and dividend rights of issues of other classes of shares.

- On the basis of discounted cash flow forecasts, where there was no contemporaneous or closely contemporaneous transaction in another class of share and the time interval was too large to permit an assumption that there had been no significant change in the Company’s equity value.

The weighted average fair value of options granted during the six months ended June 30 was (in USD):

	2021	2020
2019 ISOP	$ 2.12	$ 2.74

Movements in the share-based compensation reserve were as follows (in USD thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Beginning of the period	$ 3,587	$ 1,859	$ 2,948	$ 1,589
Movement in the period	1,197	314	1,836	584
Total	**$ 4,784**	**$ 2,173**	**$ 4,784**	**$ 2,173**

Commitment to grant options to CEO on IPO

In addition to the options granted, as set out above, the Board committed on November 29, 2018, to award to the CEO 300,000 share options, if the Company completed an IPO that valued the Company at a minimum of $1.0 billion. No other terms and conditions were specified, although it was assumed that the strike price would be equal to the IPO share price and that there could be further vesting conditions in terms of service beyond the IPO date.

On March 25, 2021, the Board formally clarified the conditions of this commitment to grant options to the CEO upon an IPO. Specifically, the Board set the grant date as November 29, 2018, set the strike price at $3.33 (CHF 3.15), confirmed the condition of an IPO that valued the Company at a minimum of $1 billion and set the life of the option at five years. On the basis of these terms, the award was valued as of that date at $0.3 million. This value will not be updated at a later date as all terms and conditions of the award were approved. The expense of $0.3 million will be recognized when it becomes probable that an IPO that values the Company at a minimum of $1.0 billion will occur before November 29, 2023. The Company recognized $0.2 million in the three months ended June 30, 2021, related to the Company's expectation of an IPO becoming probable in the second quarter of 2021.

11. Cash flow

Non-cash items of income and expense are presented in the following table (in USD thousands):

	Six months ended June 30,	
	2021	2020
Share-based compensation	$ 1,836	$ 584
Intangible assets write-off	—	215
Movements in provisions, pensions and government grants	600	504
Research tax credit	(278)	(371)
Total other non-cash items of income and expense	**$ 2,158**	**$ 932**

12. Related party transactions

Related parties comprise the Company's executive officers and directors, including their affiliates, and any person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control of, the Company.

Key management personnel are comprised of four Executive Officers and Directors and five Non-Executive Directors as of June 30, 2021. Key management personnel are comprised of four Executive Officers and Directors and four Non-Executive Directors as of June 30, 2020.

Compensation for key management and non-executive directors recognized during the period comprised (in USD thousands):

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Salaries and other short-term employee benefits	$ 344	$ 232	$ 852	$ 456
Pension costs	16	14	35	26
Share-based compensation expense	887	202	1,266	391
Other compensation	46	15	90	36
Total	**$ 1,293**	**$ 463**	**$ 2,243**	**$ 909**

On March 25, 2021, the Board changed the strike price on 127,000 options granted to the CEO in September 2018 from $4.22 (CHF 4.00) to $3.33 (CHF 3.15). The Company calculated the fair value of these options using the same approach as that used to value share options granted since September 2020, which resulted in an increase of $0.1 million. This incremental cost is now being recognized as an expense over the period from March 25, 2021, until the end of the vesting period of the original grant.

On March 25, 2021, the Board also clarified the terms of an award made to the CEO on November 29, 2018. This award is conditional on the achievement by November 29, 2023, of a successful IPO that values the Company at a minimum of $1.0 billion. Further details of the award and its accounting treatment are set out in note 9, “Share-based compensation”.

13. Events after the reporting date

IPO

On July 27, 2021, the Company completed its IPO in the United States on the Nasdaq Global Market (“Nasdaq”) under the trading ticker symbol “SOPH”. Trading on the Nasdaq commenced on at market open on July 23, 2021. The Company completed the IPO of 13,000,000 common shares, at an IPO price of $18.00 per share, par value $0.05 (CHF 0.05). The IPO resulted in gross proceeds of $234.0 million. The Company incurred an estimated $25.9 million in issuance costs associated with the IPO, resulting in net proceeds of $208.1 million.

Concurrent with the IPO, the Company closed a private placement, in which it sold 1,111,111 ordinary shares to an affiliate of GE Healthcare. Gross proceeds from the private placement, before deducting estimated expenses payable, are $20 million. The Company incurred $0.5 million of issuance fees, resulting in net proceeds of $19.5 million.

On August 25, 2021, the underwriters of the IPO elected to exercise in part their option to purchase an additional 519,493 ordinary shares (“greenshoe”) at the price to the IPO price of $18.00 per share. The greenshoe resulted in additional gross proceeds of $9.4 million. The Company incurred an additional $0.7 million of additional issuance costs, resulting in net proceeds of $8.7. With the addition of the underwriters’ option to purchase additional shares, the total number of shares solid in the Company’s IPO increased to 13,519,493 shares for aggregate gross proceeds, before deducting underwriting discounts and commissions and estimated fees and offering expenses, of $243.4 million.

As a result of the IPO, the Company incurred a success fee related to the Triple Point loan (Note 9) of $2.9 million. Given the probable success of the IPO as of June 30, 2021, the Company recorded an additional expense related to the increase in liability in other current liabilities.

Immediately prior to the completion of the Company’s IPO and current with the private placement, the Company’s outstanding preferred shares converted on a one-to-one basis of our issued preferred shares into ordinary.

New Leased Office

On March 3, 2021, the Company entered into a 122 month new lease for office space in Rolle, Switzerland primarily to support the expansion of the R&D department. The lease in total is for approximately 3,600 square meters with the Company gaining access to areas on prescribed dates. The Company gains access to 1,100 square meters on July 1, 2021, 700 square meters on January 1, 2022, and the remaining 1,800 square meters on July 23, 2023. Ahead of gaining control of the leased space the Company purchased approximately $1.0 million of additions in leasehold improvements and equipment in Q2 2021. The expected lease commitments resulting from this contract are $0.2 million in 2021, $0.6 million in 2022 and $1.2 million from 2023 onwards. They are linked to changes in the Swiss Consumer Price Index as published by Swiss Federal Statistical Office.

Management's discussion and analysis of financial conditions and results of operations

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included as Exhibit 99.1 to the Report on Form 6-K to which this discussion and analysis is included as Exhibit 99.2 and our audited financial statements and the related notes and the section "Management's discussion and analysis of financial conditions and results of operations" in our prospectus, dated July 22, 2021 (the "Prospectus"), filed pursuant to Rule 424(b)(4) under the Securities Act of 1933, as amended.

Our consolidated financial statements are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). None of the consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The terms "dollar," "USD" and "$" refer to U.S. dollars and the terms "Swiss franc" and "CHF" refer to the legal currency of Switzerland, unless otherwise indicated.

Unless otherwise indicated or the context otherwise requires, all references to "SOPHiA GENETICS," "SOPH," the "Company," "we," "our," "ours," "us" or similar terms refer to SOPHiA GENETICS SA and its consolidated subsidiaries.

Cautionary Statement Regarding Forward-Looking Statements

This discussion and analysis contain statements that constitute forward-looking statements. All statements other than statements of historical facts, including statements regarding our future results of operations and financial position, business strategy, technology, as well as plans and objectives of management for future operations are forward-looking statements. Many forward-looking statements can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate," "will" and "potential," among others. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in the "Risk Factors" section of the Prospectus and in our other Securities and Exchange Commission ("SEC") filings. These forward-looking statements include, among others:

- our expectations regarding our revenue, gross margin, expenses and other operating results;
- our plans regarding further development of our SOPHiA platform and its expansion into additional features, applications and data modalities;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements, future revenues, expenses, reimbursement rates and needs for additional financing;
- our expectations regarding the market size for our platform, services and products and the market acceptance they will be able to achieve;
- our expectations regarding changes in the healthcare systems in different jurisdictions, in particular with respect to the manner in which electronic health records are collected, distributed and accessed by various stakeholders;
- the timing or outcome of any domestic and international regulatory submissions;
- impact from future regulatory, judicial, and legislative changes or developments in the United States and foreign countries;
- our ability to acquire new customers and successfully engage and retain customers;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- our ability to increase demand for our products and services, obtain favorable coverage and reimbursement determinations from third-party payors and expand geographically;
- our expectations of the reliability, accuracy and performance of our products and services, as well as expectations of the benefits to patients, medical personnel and providers of our products and services;
- our expectations regarding our ability, and that of our manufacturers, to manufacture our products;
- our efforts to successfully develop and commercialize our products and services;
- our competitive position and the development of and projections relating to our competitors or our industry;

- our ability to identify and successfully enter into strategic collaborations in the future, and our assumptions regarding any potential revenue that we may generate thereunder;
- our ability to obtain, maintain, protect and enforce intellectual property protection for our technology, products and services, and the scope of such protection;
- our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties;
- our expectations regarding the impact of the COVID-19 pandemic;
- our plans with respect to use of proceeds from our initial public offering ("IPO");
- our ability to enter into a definite collaboration agreement and other related agreements, if any, with GE Healthcare and our expectations with respect to the terms and the effect on us and our business of such definitive agreements;
- our ability to attract and retain qualified key management and technical personnel; and
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act and a foreign private issuer.

These forward-looking statements speak only as of the date of this discussion and analysis and are subject to a number of risks, uncertainties and assumptions described in the "Risk Factors" section of the Prospectus, this discussion and analysis and our other SEC filings. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. You should read this discussion and analysis completely and with the understanding that our actual future results may be materially different from what we expect.

Overview

We are a healthcare technology company dedicated to establishing the practice of data-driven medicine as the standard of care and for life sciences research. We purposefully built a cloud-based SaaS platform capable of analyzing data and generating insights from complex multimodal data sets and different diagnostic modalities. Our platform standardizes, computes and analyzes digital health data and is used across decentralized locations to break down data silos. This enables healthcare institutions to share knowledge and experiences and to build a collective intelligence. We envision a future in which all clinical diagnostic test data is channeled through a decentralized analytics platform that will provide insights powered by large real-world data sets and AI. We believe that a decentralized platform is the most powerful and effective solution to create the largest network, leverage data and bring the benefits of data-driven medicine to customers and patients globally. In doing so, we can both support and benefit from growth across the healthcare ecosystem.

In 2014, we launched the first application of our platform to analyze next-generation sequencing ("NGS") data for cancer diagnosis. As of June 30, 2021, we had approximately 330 applications used by healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies for precision medicine across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. In 2019, we launched our solution for radiomics data that enables longitudinal monitoring of cancer patients and tumor progression throughout their disease journey. Today, we believe that our SOPHiA platform, commercialized under the name "SOPHiA DDM," is one of the most widely used decentralized analytics platforms globally for clinical genomics. As of June 30, 2021, we served approximately 780 hospital, laboratory and biopharma customers globally through our SOPHiA platform and related solutions, products and services, and our SOPHiA platform has supported the analysis of more than 770,000 genomic profiles and has been utilized in clinical trials and research projects discussed in more than 250 peer-reviewed publications. We commercialize our SOPHiA platform and related solutions, products and services as RUO and CE-IVD products.

We began our operations in 2011 and launched our first application in 2014. Since then, our operations have focused on organizing and staffing our Company, business planning, conducting research and development of our SOPHiA platform, selling and marketing our SOPHiA platform and raising capital.

Our clinical customers primarily include academic and non-academic hospitals and reference and specialty laboratories. Our biopharma customers primarily include pharmaceutical and biotechnology companies and clinical research organizations ("CROs"). Our customers are able to access our SOPHiA platforms through three primary access models: dry lab access, bundle access and integrated access. As of June 30, 2021, we operated a global direct sales team of more than 80 field-based commercial representatives across 61 countries in all four of our major regions of operations (North America, Latin America, EMEA and Asia-Pacific ("APAC")) and further supplemented our direct sales team with distributors in 11 additional countries.

Recent Developments

Initial Public Offering and Private Placement

On July 23, 2021, our ordinary shares began trading on the Nasdaq Global Select Market under the symbol "SOPH." On July 27, 2021, we issued and sold 13,000,000 ordinary shares as part of our IPO. On August 25, 2021, we issued and sold an additional 519,493 ordinary shares pursuant to the underwriters' exercise of their option to purchase additional shares. In total, we sold 13,519,493 ordinary shares in our IPO at a public offering price of $18.00 per share, for gross proceeds of $243.4 million, before deducting underwriting discounts and commissions, fees and offering expenses.

On July 27, 2021, concurrent with the completion of our IPO, we issued and sold 1,111,111 ordinary shares to Instrumentarium Holdings, Inc., an affiliate of GE Healthcare, for gross proceeds of $20 million, before deducting offering expenses.

Continued Focus on Collaborations and Partnerships

We are continually developing partnerships and collaborations across the healthcare ecosystem with companies who also provide products and services to our customers. For example, we recently announced the expansion of our partnership with DASA to include the first decentralized homologous recombination deficiency ("HRD") solution in Latin America. In addition, we recently announced a co-marketing agreement with Agilent to offer an end-to-end solution that automates NGS library preparation and analytics processes for cancer research, which creates new opportunities to bring accurate, precise, and reproducible genomic analysis solutions to hospitals globally.

Impact of the COVID-19 Pandemic

In 2020, particularly in the second quarter of 2020, the COVID-19 pandemic negatively affected our revenue, analysis volume and customer acquisition. Since then, we have experienced a sustained recovery and our analysis volumes now exceed pre-pandemic levels. The COVID-19 pandemic has also created opportunities for us. For example, we collaborated with Paragon Genomics, Inc. to develop a NGS assay for COVID-19 that leverages our SOPHiA platform's analytical capabilities, from which we derived $0.6 million in revenues during the three months ended June 30, 2021. While the NGS assay for COVID-19 did not constitute a significant part of our revenue, and we do not expect it do so in the future, we believe that this collaboration illustrates the flexibility and adaptability of our SOPHiA platform.

We are continually evaluating the impact of the COVID-19 pandemic on our business and financial condition, which we believe will be primarily driven by the severity and duration of the pandemic, the pandemic's impact on the U.S. and global economies; the timing, availability and acceptance of vaccines; the effectiveness of vaccines, particularly against emerging variants of the novel coronavirus; and the scope and effectiveness of national and local governmental responses to the pandemic. Those primary drivers are beyond our knowledge and control, and as a result, at this time the ultimate impact of the COVID-19 pandemic on our business, financial condition and results of operations for the remainder of 2021 and thereafter cannot be reasonably predicted. We are continuously assessing and adapting our working practices and business operations to ensure compliance with official guidance and containment measures related to the pandemic, and we are working proactively with our partners and other stakeholders to take steps to mitigate and minimize any negative impact of the COVID-19 pandemic on our research and development activities, commercial activities and other business operations.

Factors Affecting Our Performance

We believe that our financial performance has primarily been driven by, and in the foreseeable future will continue to be primarily driven by, the factors discussed in the "Management's discussion and analysis of financial conditions and results of operations—Factors Affecting Our Performance" section of the Prospectus. While these factors present significant opportunities for our business, they also pose challenges that we must successfully address in order to sustain our growth and improve the results of our operations. Our ability to successfully address these challenges is subject to various risks and uncertainties described in the Prospectus, particularly in the section titled "Risk Factors," as well as in our other SEC filings.

Key Performance Indicators

We regularly monitor a number of key performance indicators and metrics to evaluate our business, measure our performance, identify key operating trends and formulate financial projections and strategic plans. We believe that the following metrics are representative of our current business, but the metrics we use to measure our performance could change as our business continues to evolve. Our key performance indicators primarily focus on metrics related to our SOPHiA platform, as platform revenue comprises the majority of our revenues.

Our clinical customers can access our platform using three different models: dry lab access, bundle access and integrated access. In the dry lab access model, our customers use the testing instruments and consumables of their choice and our SOPHiA platform and algorithms for variant detection and identification. In the bundle access model, we bundle DNA enrichment kits with our analytics solution to provide customers the ability to perform end-to-end workflows. In the integrated access model, our customers have their samples processed and sequenced through select SOPHiA platform collaborators within our clinical network and access their data through our SOPHiA platform. As used in this section, the term "customer" refers to any customer who accesses our SOPHiA platform through the dry lab and bundle access models. We exclude from this definition any customers accessing our SOPHiA platform using the integrated business model because they tend to use our platform in an ad hoc manner compared to our dry lab and bundle access customers who typically do so in a recurring fashion, generate an immaterial portion of our revenue and analysis volume and constitute a small part of our customer base. We also exclude from this definition customers who only use Alamut through our SOPHiA platform.

Platform Analysis Volume

The following table shows platform analysis volume for the three and six months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2021	**2020**	**2021**	**2020**
Platform analysis volume	62,837	30,642	115,915	75,778

Platform analysis volume represents a key business metric that reflects our overall business performance, as we generate revenue on a pay-per-analysis basis. Platform analysis volume measures the number of analyses that generated revenue to us and were conducted by our customers, excluding volumes generated by customers who access our SOPHiA platform exclusively through the integrated access model. Analysis volume is a direct function of the number of active customers and usage rates across our customer base during a specified time period. While our platform analysis volume is a major driver of our revenue growth, other factors, including product pricing, access model used and customer size mix, also affect our revenue. Because of that, our revenue may increase in periods in which our analysis volume decreases and vice versa.

Analysis volume increased to 62,837 and 115,915 for the three and six months ended June 30, 2021, respectively, from 30,642 and 75,778 for the three and six months ended June 30, 2020, respectively. We believe this increase is primarily attributable to increased usage from our existing customers as well as new customers onboarded onto our platform, particularly as customers returned to their labs as COVID-19-related pandemic restrictions loosened and customers reallocated resources and focus to non-COVID-19-related operations. We observed a significant increase in chargeable analysis volume of 105% for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 and 53% for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020. While platform analysis volume is a primary driver of our overall revenue, there are other important factors that also contribute to our revenue performance, including access model mix, Alamut license sales, biopharma service revenue and workflow equipment and services revenue. These factors contributed to net year-over-year growth in our overall revenue in the second quarter and first half of 2021.

Total Recurring Platform Customers

The following table shows the number of existing recurring platform customers, as of June 30, 2021 and 2020, new recurring platform customers acquired during the three months ended June 30, 2021 and 2020, and the total number of recurring customers as of June 30, 2021 and 2020:

	As of June 30,	
	2021	**2020**
Existing recurring platform customers	341	313
New recurring platform customers	26	7
Total recurring platform customers	**367**	**320**

We track the number of our recurring platform customers, defined as the number of customers who generated revenue during the specified time period, as a key measure of our ability to generate recurring revenue from our install base. We further define our recurring platform customers as “existing” or “new” recurring platform customers based on the year in which they first accessed our SOPHiA platform and generated revenue for us. The analysis excludes customers without any usage of our SOPHiA platform over the past twelve months and customers who have executed agreements with us that have not generated any revenue to us, including customers that are in the process of being onboarded onto our SOPHiA platform. The analysis also excludes our customers who access our SOPHiA platform exclusively through the integrated access model.

Total recurring platform customers increased to 367 as of June 30, 2021 from 320 as of June 30, 2020. The increase is primarily attributable to our ability to renew our customer acquisition momentum that was impacted by COVID-19-related pandemic restrictions as restrictions loosened in 2021. In particular, the return of the workforce to hospitals and laboratories and our customers’ ability to reallocate resources to non-COVID-19-related operations allowed us to make significant progress in building out our customer base as restrictions began to loosen in 2021 with the availability of various vaccines.

Average Revenue per Platform Customer

The following table shows the average revenue per platform customer as of June 30, 2021 and 2020 (in USD):

	As of June 30,	
	2021	**2020**
Average revenue per platform customer	$ 84,310	$ 65,213

Average revenue per platform customer is a key measure of our ability to create additional value from our existing customer relationships and the viability of our “land and expand” commercial strategy. We calculate average revenue per platform customer based on the total revenue generated by our customers divided by the total number of customers. Average revenue per platform customer is a function of analysis volume, product pricing, access model used and customer size mix.

Average revenue per platform customer increased to $84,310 as of June 30, 2021, from $65,213 as of June 30, 2020. The increase is primarily attributable to the “expand” aspect of our “land and expand” strategy through which we have been able to increase usage rates and adoption of our applications as our relationships with our customers deepen over time.

Components of Results of Operations

Revenue

We generate revenue from goods and services rendered to our clinical customers and from our biopharma customers. Our clinical customers include academic and non-academic hospitals (including comprehensive cancer centers and children’s hospitals), and reference and specialty laboratories. Our biopharma customers include companies along the full biopharma value chain. We group our solutions that we offer our customers into two primary reporting segments: our SOPHiA platform and workflow equipment and services.

SOPHiA platform revenue comprises the bulk of our revenue and includes goods and services related to the use of our SOPHiA DDM platform, including our clinical genomics solutions, which span across 330 unique applications for analyzing genomic data; our Alamut suite of genomics mutation interpretation software, which gives our clinical customers advanced analytics capabilities for a deeper and more informed genomic data interpretation; biopharma applications designed to help customers solve bottlenecks across the biopharma value chain, including discovery, clinical development and commercialization; and the sale of third-party instruments and consumables to our bundle access customers.

For clinical customers, our primary pricing strategy for our SOPHiA DDM platform is a pay-per-use model, in which customers access our platform free of charge but pay for each use of our platform. Pricing varies based on our customer mix, as customers require differing levels of customization. For Alamut, our primary pricing strategy is a licensing model, in which customers access our platform for a contracted price. For biopharma customers, we are continuing to refine our pricing strategy since we launched our initial applications for the biopharma market in 2019. We recognize revenue when our customer obtains control of promised goods or services, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. For revenue generated from our SOPHiA DDM platform customers, we recognize revenue from analyses as the analyses are conducted and revenue from bundled instruments and consumables at the point of delivery. For revenue generated from Alamut licenses, we recognize revenue over the course of the license period. Payments from our customers are typically due up to 180 days from the invoice date. We have a diverse range of customers and no single customer accounted for more than 5% of our revenue for the six months ended June 30, 2021 and 2020, respectively.

Workflow equipment and services revenue includes all revenue from the sale of materials and services that do not form part of a contract for the provision of platform services rendered primarily to clinical customers. These include the provision of set-up programs and training and the sale of equipment that are not linked to the use of the platform, such as automation equipment. Set-up programs and training are typically combined with a customer’s first order prior to the customer being onboarded onto our SOPHiA platform. Revenue from services is generally recognized when the services are performed. Revenue from equipment is recognized when control of the goods is transferred to the customer, generally at the time of delivery.

We have demonstrated continued revenue growth during 2021 and 2020 as a result of the continued development of our platform and technology and further penetration of the market. Revenue performance is reflective of the strong foundation that has been built, focused around clinical and biopharma customers.

Cost of Revenue

Cost of revenue comprises costs directly incurred in earning revenue, including computational costs and data storage fees paid to hosting providers, manufacturing costs, materials and consumables, the cost of equipment leased out under finance leases, personnel-related expenses and amortization of capitalized development costs. Capitalized research and development expenses are amortized using the straight-line method over an estimated life of five years.

While we currently expect increased investments to accelerate growth, we also expect to realize increased efficiencies and economies of scale and undertake cost containment measures to reduce the cost of using cloud infrastructure. Over time, we expect our gross profit margin to increase as we broaden our customer base, increase customer engagement and expand our cloud infrastructure. Our cost of revenue as a percentage of revenue may fluctuate from period to period depending on the interplay of the various components of cost of revenue.

Operating Expenses

Operating expenses consist of research and development, selling and marketing, general and administrative, and other operating income (expense), net.

Research and Development Costs

Research and development costs consist of personnel and related expenses for technology and product development, depreciation and amortization, laboratory supplies, consulting services, computational costs and data storage fees paid to hosting providers related to research and development and allocated overhead costs. These costs are stated net of government grants for research and development and innovation received as tax credits and net of capitalized costs.

In the short and long term, we expect our research and development costs to increase in absolute dollars, but not necessarily as a percentage of revenue, while we continue to develop, refine and optimize our platform, technology, products and services as we seek to expand the features, applications and data modalities of our SOPHiA platform, broaden our customer base and increase customer engagement to drive revenue growth. We expect research and development costs to continue to comprise the largest component of our overall operating expenses. Our research and development costs as a percentage of revenue may fluctuate from period to period due to the timing and extent of such expenses.

Selling and Marketing Costs

Selling and marketing costs consist of personnel and related expenses for the employees of our sales and marketing organization, costs of communications materials that are produced to generate greater awareness and utilization of our platform among our customers, costs of third-party market research, costs related to transportation and distribution of our products and allocated overhead costs. These costs are stated net of government grants under the U.S. Paycheck Protection Program for payroll and/or rental obligations received as a loan that is forgiven if utilized as intended.

In the short term, we expect our selling and marketing costs to increase in absolute dollars and as a percentage of revenue as we seek to broaden our customer base and increase customer engagement to drive revenue growth and as we hire additional sales personnel and related account management and sales support personnel to properly service our growing customer base. However, in the long term, we expect our selling and marketing costs to gradually and modestly decrease as a percentage of revenue. Our selling and marketing costs as a percentage of revenue may fluctuate from period to period due to the timing and extent of such expenses.

General and Administrative Costs

General and administrative costs consist of personnel and related expenses for our executive, accounting and finance, legal, quality, support and human resources functions, depreciation and amortization, professional services fees incurred by these functions, general corporate costs and allocated overhead costs, which include occupancy costs and information technology costs.

In the short term, we expect our general and administrative costs to increase in absolute dollars and as a percentage of revenue as we operate as a new public company and as we continue to grow our business. As we transition to being a public company, we anticipate increased costs related to audit, legal, regulatory and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements, director and officer insurance premiums, investor relations costs and the development and maintenance of effective internal controls over financial reporting. However, in the long term, we expect our general and administrative costs to gradually and modestly decrease as a percentage of revenue. Our general and administrative costs as a percentage of revenue may fluctuate from period to period due to the timing and extent of such expenses.

Other Operating Income (Expense), Net

Other operating income (expense), net consists of benefits from the COVID-19 loans and grants with a below-market interest rate (see "—Liquidity and Capital Resources—Sources of Capital Resources"), gains and losses related to the disposal of tangible assets, write-offs of intangible assets and other operating income and expenses. We cannot predict the amount of other operating income (expense), net for future periods.

Finance Income (Expense), Net

Finance income and (expense), net consists of interest income earned on cash and cash equivalents, term deposits and short-term investments and lease liabilities, interest expense on borrowings and COVID-19 loans and grants, interest expense on an earnout retention bonus resulting from the purchase of Interactive Biosoftware ("IBS"), changes in the fair value of the derivative associated with the fee payable to TriplePoint Capital LLC ("TriplePoint") upon the completion of our IPO (see "—Liquidity and Capital Resources—Sources of Capital Resources") and foreign exchange gains and losses arising principally from U.S. dollar cash balances and intercompany receivable balances in the parent company, whose functional currency is the Swiss franc.

We currently do not use any financial instruments to manage our interest risk exposure. We expect our interest expense to decrease in 2021 based on the repayment of loans and other debt instruments. We also currently do not use any financial instruments to manage our exchange rate risks.

Taxation

We are subject to corporate taxation in Switzerland and other jurisdictions in which we operate, in particular, the United States, France, the UK, Brazil, Australia and Italy where our wholly owned subsidiaries are incorporated.

Pursuant to a written agreement with the Swiss government, we are exempted from paying corporate taxes in Switzerland until December 31, 2022.

Results of Operations

Comparison of the Three Months Ended June 30, 2021 and June 30, 2020

The following table summarizes our results of operations for the three months ended June 30, 2021 and June 30, 2020:

	Three Months Ended June 30,		Change	
(Amounts in USD thousands except percentages)	**2021**	**2020**	**$**	**%**
Revenue	**$ 10,178**	**$ 5,916**	**$ 4,262**	**72%**
Cost of revenue	(3,948)	(1,950)	(1,998)	102%
Gross profit	**6,230**	**3,966**	**2,264**	**57%**
Research and development costs	(6,385)	(3,765)	(2,620)	70%
Selling and marketing costs	(7,573)	(3,788)	(3,785)	100%
General and administrative costs	(8,224)	(3,522)	(4,702)	134%
Other operating income (expense), net	28	69	(41)	(59)%
Operating loss	**(15,924)**	**(7,040)**	**(8,884)**	**126%**
Finance income (expense), net	(2,426)	(797)	(1,629)	204%
Loss before income taxes	**(18,350)**	**(7,837)**	**(10,513)**	**134%**
Income tax (expense)/benefit	(40)	(18)	(22)	122%
Loss for the period	**$ (18,390)**	**$ (7,855)**	**$ (10,535)**	**134%**

Revenue

The following table presents revenue by stream:

	Three Months Ended June 30,		Change	
(Amounts in USD thousands except percentages)	**2021**	**2020**	**$**	**%**
SOPHiA platform	$ 9,823	$ 5,589	$ 4,234	76%
Workflow equipment and services	355	327	28	9%
Total revenue	**$ 10,178**	**$ 5,916**	**$ 4,262**	**72%**

Revenue was $10.2 million for the three months ended June 30, 2021 as compared to $5.9 million for the three months ended June 30, 2020. This increase was primarily attributable to an increase in SOPHiA platform revenue. SOPHiA platform revenue was $9.8 million for the three months ended June 30, 2021 as compared to $5.6 million for the three months ended June 30, 2020. This increase was primarily attributable to new customers onboarded onto our platform and improved usage rates across our existing customers as COVID-19 related restrictions loosened. Workflow equipment and services revenue was $0.4 million for the three months ended June 30, 2021 as compared to $0.3 million for the three months ended June 30, 2020. This slight increase is attributable to increased customer demand for comprehensive automation solutions.

Cost of Revenue

The following table presents cost of revenue, gross profit, and gross margin:

(Amounts in USD thousands except percentages)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Change $	Change %
Cost of revenue	$ (3,948)	$ (1,950)	$ (1,998)	102%
Gross profit	6,230	3,966	2,264	57%
Gross margin	61%	67%		

Cost of revenue was $3.9 million for the three months ended June 30, 2021 as compared to $2.0 million for the three months ended June 30, 2020. This increase was primarily attributable to an increase in revenue and an increase in computational and storage-related costs of $0.4 million.

Operating Expenses

The following table presents research and development costs, selling and marketing costs, general and administrative costs, and other operating income (expense), net:

(Amounts in USD thousands except percentages)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Change $	Change %
Research and development costs	$ (6,385)	$ (3,765)	$ (2,620)	70%
Selling and marketing costs	(7,573)	(3,788)	(3,785)	100%
General and administrative costs	(8,224)	(3,522)	(4,702)	134%
Other operating income (expense), net	28	69	(41)	(59)%
Total operating expenses	**$ (22,154)**	**$ (11,006)**	**$ (11,148)**	**101%**

Research and Development Costs

Research and development costs were $6.4 million for the three months ended June 30, 2021 as compared to $3.8 million for the three months ended June 30, 2020. This increase was primarily attributable to an increase in employee-related expenses for R&D initiatives of $2.0 million related to the development of new products and applications, partially offset by the capitalization of $0.1 million in development costs.

Selling and Marketing Costs

Selling and marketing costs were $7.6 million for the three months ended June 30, 2021 as compared to $3.8 million for the three months ended June 30, 2020. This increase was primarily attributable to a $2.4 million increase in employee-related expenses, as compensation for existing employees increased with improved sales momentum, a $0.8 million increase in commissions and sales-related costs and a $0.5 million increase in variable expenses, including marketing and travel-related expenses, as COVID-19 restrictions were loosened.

General and Administrative Costs

General and administrative costs were $8.2 million for three months ended June 30, 2021 as compared to $3.5 million for the three months ended June 30, 2020. This increase was primarily attributable to the continued scale-up of our organization, the development of quality-related initiatives to support a potential expansion of our business into more regulated markets and IPO-related expenses.

Other Operating Income (Expense), Net

Other operating income (expense), net was less than $0.1 million for both the three months ended June 30, 2021 and 2020.

Finance Income (Expense), Net

The following presents the finance income (expense), net:

(Amounts in USD thousands except percentages)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Change $	Change %
Finance income (expense), net	$ (2,426)	$ (797)	$ (1,629)	204%

Finance income (expense), net was $(2.4) million for the three months ended June 30, 2021 as compared to $(0.8) million for the three months ended June 30, 2020. This increase in expense was primarily attributable to the increase in the valuation of the fee payable to TriplePoint upon the completion of our IPO (see "—Liquidity and Capital Resources—Sources of Capital Resources") and foreign exchange losses arising from intercompany transactions associated with the translation of foreign currency receivable balances and U.S. dollar cash balances into SOPHiA GENETICS SA's functional currency of the Swiss franc.

Income Tax (Expense)

The following table presents the income tax (expense):

(Amounts in USD thousands except percentages)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Change $	Change %
Income tax (expense)	$ (40)	$ (18)	$ (22)	122%

Income tax expense was less than $0.1 million for both the three months ended June 30, 2021 and 2020.

Comparison of the Six Months Ended June 30, 2021 and June 30, 2020

The following table summarizes our results of operations for the six months ended June 30, 2021 and 2020:

(Amounts in USD thousands except percentages)	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Change $	Change %
Revenue	**$ 19,154**	**$ 13,397**	**$ 5,757**	**43%**
Cost of revenue	(7,307)	(4,863)	(2,444)	50%
Gross profit	**11,847**	**8,534**	**3,313**	**39%**
Research and development costs	(12,565)	(8,396)	(4,169)	50%
Selling and marketing costs	(12,455)	(9,138)	(3,317)	36%
General and administrative costs	(16,857)	(7,524)	(9,333)	124%
Other operating income (expense), net	52	(145)	197	(136)%
Operating loss	**(29,978)**	**(16,669)**	**(13,309)**	**80%**
Finance income (expense), net	(865)	(1,687)	822	(49)%
Loss before income taxes	**(30,843)**	**(18,356)**	**(12,487)**	**68%**
Income tax (expense)/benefit	(215)	(36)	(179)	497%
Loss for the period	**$ (31,058)**	**$ (18,392)**	**$ (12,666)**	**69%**

Revenue

The following table presents revenue by stream:

(Amounts in USD thousands except percentages)	Six Months Ended June 30, 2021	2020	Change $	%
SOPHiA platform	$ 18,562	$ 12,868	$ 5,694	44%
Workflow equipment and services	592	529	63	12%
Total revenue	**$ 19,154**	**$ 13,397**	**$ 5,757**	**43%**

Revenue was $19.2 million for the six months ended June 30, 2021 as compared to $13.4 million for the six months ended June 30, 2020. This increase was primarily attributable to an increase in SOPHiA platform revenue. SOPHiA platform revenue was $18.6 million for the six months ended June 30, 2021 as compared to $12.9 million for the six months ended June 30, 2020. This increase was primarily attributable to new customers onboarded onto our platform as well as increased usage rates across our existing customers as COVID-19 related restrictions loosened. Workflow equipment and services revenue was $0.6 million for the six months ended June 30, 2021 as compared to $0.5 million for the three months ended June 30, 2020. The slight increase is attributable to increased customer demand for comprehensive automation solutions.

Cost of Revenue

The following table presents cost of revenue, gross profit, and gross margin:

(Amounts in USD thousands except percentages)	Six Months Ended June 30, 2021	2020	Change $	%
Cost of revenue	$ (7,307)	$ (4,863)	$ (2,444)	50%
Gross profit	11,847	8,534	3,313	39%
Gross margin	62%	64%		

Cost of revenue was $7.3 million for the six months ended June 30, 2021 as compared to $4.9 million for the six months ended June 30, 2020. This increase was primarily attributable to an increase in revenue and a $0.7 million increase in computational and storage-related costs.

Operating Expenses

The following table presents research and development costs, selling and marketing costs, general and administrative costs, and other operating income (expense), net:

(Amounts in USD thousands except percentages)	Six Months Ended June 30, 2021	2020	Change $	%
Research and development costs	$ (12,565)	$ (8,396)	$ (4,169)	50%
Selling and marketing costs	(12,455)	(9,138)	(3,317)	36%
General and administrative costs	(16,857)	(7,524)	(9,333)	124%
Other operating income (expense), net	52	(145)	197	(136)%
Total operating expenses	**$ (41,825)**	**$ (25,203)**	**$ (16,622)**	**66%**

Research and Development Costs

Research and development costs were $12.6 million for the six months ended June 30, 2021 as compared to $8.4 million for the six months ended June 30, 2020. This increase was primarily attributable to an increase in employee-related expenses of $3.8 million for R&D initiatives related to the development of new products and applications, partially offset by the capitalization of $0.4 million in development costs.

Selling and Marketing Costs

Selling and marketing costs were $12.5 million for the six months ended June 30, 2021 as compared to $9.1 million for the six months ended June 30, 2020. This increase was primarily attributable to a $2.5 million increase in employee-related expenses, as compensation for existing employees increased with improved sales momentum, and a $1.1 million increase in commissions and sales-related costs.

General and Administrative Costs

General and administrative costs were $16.9 million for six months ended June 30, 2021 as compared to $7.5 million for the six months ended June 30, 2020. This increase was primarily attributable to the continued scale-up of our organization, development of quality-related initiatives to support a potential expansion of our business into more regulated markets and IPO-related costs.

Other Operating Income (Expense), net

Other operating income (expense), net was $0.1 million of other operating income for the six months ended June 30, 2021 as compared to $(0.1) of other operating expense for the six months ended June 30, 2020.

Finance Income (Expense), net

The following presents the finance income (expense), net:

	Six Months Ended June 30,		Change	
(Amounts in USD thousands except percentages)	**2021**	**2020**	**$**	**%**
Finance income (expense), net	$ (865)	$ (1,687)	$ 822	(49)%

Finance income (expense), net was $(0.9) million for the six months ended June 30, 2021 as compared to $(1.7) million for the six months ended June 30, 2020. This decrease in expense was primarily attributable to foreign exchange gains arising from intercompany transactions associated with the translation of foreign currency receivable balances and U.S. dollar cash balances into SOPHiA GENETICS SA's functional currency of the Swiss franc, partially offset by the increase in the valuation of the fee payable to TriplePoint upon the completion of our IPO (see "—Liquidity and Capital Resources—Sources of Capital Resources") .

Income Tax (Expense)

The following table presents the income tax (expense):

	Six Months Ended June 30,		Change	
(Amounts in USD thousands except percentages)	**2021**	**2020**	**$**	**%**
Income tax (expense)	$ (215)	$ (36)	$ (179)	497%

Income tax expense was $0.2 million for the six months ended June 30, 2021 as compared to less than $0.1 million of tax expense for the six months ended June 30, 2020. This change was primarily attributable to an increase in revenues.

Liquidity and Capital Resources

Sources of Capital Resources

Our principal sources of liquidity were cash and cash equivalents totaling $42.5 million and $74.6 million as of June 30, 2021 and December 31, 2020, respectively, which were held for a variety of growth initiatives and investments in our SOPHiA platform and related solutions, products and services as well as working capital purposes. Our cash and cash equivalents are comprised of bank and short-term deposits with maturities up to three months. Separately, we held term deposits and short-term investments with maturities between three and twelve months totaling $21.6 million and $22.7 million as of June 30, 2021 and December 31, 2020, respectively.

We have funded our operations primarily through equity financing and, to a lesser extent, through revenue generated from the sale of access to our SOPHiA platform and related licenses, solutions, products and services. For the year ended December 31, 2020, we received $108.7 million in gross proceeds from our sale of an aggregate of 465,847 Series F preferred shares in June and September 2020. For information related to our IPO and concurrent private placement, see "—Recent Developments—Initial Public Offering and Private Placement." Invoices for our products and services are a substantial source of revenue for our business, which are included on our consolidated balance sheet as trade receivables prior to collection. Accordingly, collections from our customers have a material impact on our cash flows from operating activities. As we expect our revenue to grow, we also expect our accounts receivable and inventory balances to increase, which could result in greater working capital requirements.

On June 18, 2018, we entered into a Plain English Growth Capital Loan Agreement with TriplePoint Capital LLC and received a €5.15 million loan. On November 16, 2020, we repaid the loan in full and terminated our principal obligations under the loan agreement, but we remain obligated to pay to TriplePoint a fee upon the completion of our IPO.

During 2020, we received several COVID-19 loans and grants. We have repaid all outstanding COVID-19-related loan obligations.

On April 1, 2021, we entered into a credit agreement with Credit Suisse (Suisse) SA that provides for maximum borrowings of up to €2.7 million (the “Credit Facility”). Borrowings under the Credit Facility accrue interest at 3.95% per annum. The term of each loan under the Credit Facility is fixed and agreed separately for each loan. The Credit Facility expires on March 31, 2022. Borrowings under the Credit Facility can only be used to finance laboratory automation equipment for next NGS purposes. As of June 30, 2021, we had no outstanding amount under the Credit Facility.

Operating Capital Requirements

We expect to continue to incur net losses for the foreseeable future as we continue to devote substantial resources to research and development, in particular, to further expand the applications and modalities of our SOPHiA platform in order to accommodate multimodal data analytics capabilities across a wide range of disease areas; selling and marketing efforts for our SOPHiA platform to establish and maintain relationships with our collaborators and customers; and obtaining regulatory clearances or approvals for our SOPHiA platform and our products and services. We believe that our existing cash and cash equivalents will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future funding requirements will depend on many factors, including those described in the Prospectus and our other SEC filings.

Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2021 and 2020:

	Six Months Ended June 30,	
(Amounts in USD thousands)	**2021**	**2020**
Net cash provided by/(used in):		
Operating activities	$ (26,345)	$ (12,016)
Investing activities	(2,956)	(1,682)
Financing activities	533	72,669
Net increase/(decrease) in cash and cash equivalents	**$ (28,768)**	**$ 58,971**
Effect of exchange rate differences on cash and cash equivalents	$ (3,370)	$ 446

Operating Activities

For the six months ended June 30, 2021, net cash used in operating activities was $26.3 million, primarily attributable to our net loss of $31.1 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA platform.

For the six months ended June 30, 2020, net cash used in operating activities was $12.0 million, primarily attributable to our net loss of $18.4 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA platform.

Investing Activities

For the six months ended June 30, 2021, net cash used in investing activities was $3.0 million, primarily attributable to capital expenditures to support research and development and revenue-generating activities as well as capitalized costs related to our research and development activities.

For the six months ended June 30, 2020, net cash used in investing activities was $1.7 million, primarily attributable to capitalized costs related to our research and development activities.

Financing Activities

For the six months ended June 30, 2021, net cash provided by financing activities was $0.5 million, primarily attributable to the exercise of stock options, partially offset by the repayment of COVID-19 loan obligations to Credit Agricole Pyrénées Gascogne and Credit Suisse (Switzerland) Ltd. and payment of IPO-related expenses.

For the six months ended June 30, 2020, net cash provided by financing activities was $72.7 million, primarily attributable to proceeds from the issuance of the first tranche of our Series F offering and proceeds from the COVID-19 loan agreements we entered into with Credit Agricole Pyrénées Gascogne, Credit Suisse (Switzerland) Ltd. and Citizens Bank.

Contractual Obligations and Other Commitments

As of June 30, 2021, there have been no material changes to our contractual obligations and commitments from those described in the "Management's discussion and analysis of financial conditions and results of operations" section of the Prospectus.

Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed by, or under the supervision of, a company's principal executive and principal financial officers, or persons performing similar functions, and effected by a company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

We have taken and continue to take steps to remediate the material weaknesses identified during the preparation of our consolidated financial statements and audit process for the years ended December 31, 2020 and 2019 and to enhance our overall control environment, including hiring a key finance department employee with the appropriate expertise to support our Chief Financial Officer and Controller and retaining an accounting consulting firm to provide additional support to our technical accounting and financial reporting capabilities and support our finance department in the design and implementation of an improved internal controls system. We have also begun the process of reviewing and documenting our accounting and financial processes and internal controls, improving and formalizing accounting and reporting policies, and building out the appropriate technical, financial management and reporting systems infrastructure to automate and standardize such policies.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to the material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any off-balance sheet arrangements or commitments.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We had cash and cash equivalents totaling $42.5 million as of June 30, 2021, which are comprised of bank and short-term deposits with maturities up to three months. We also had term deposits and short-term investments totaling $21.6 million as of June 30, 2021. Our cash equivalents are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Due in part to these factors, our future investment income may fall short of expectation due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates.

We do not believe that a hypothetical 100 basis points change in interest rates would have a material effect on our business, financial condition or results of operations. We do not enter into investments for trading or speculative purposes. We do not use any financial instruments to manage our interest rate risk exposure.

Foreign Exchange Risk

We operate internationally and a portion of our revenue, expenses, assets, liabilities, and cash flows are denominated in currencies other than our presentation currency. As a result, we are exposed to fluctuations in foreign exchange rates.

We do not believe that there have been material changes in our foreign exchange risk exposure from the disclosure included in the "Management's discussion and analysis of financial conditions and results of operations—Foreign Exchange Risk" section of the Prospectus.

Credit Risk

We are exposed to credit risk from our operating activities, primarily trade receivables. Credit risk is the risk that a counterparty will be unable to meet its obligations under a financial instrument or customer contract. We assess writing off of receivables on a case-by-case basis if the outstanding balance exceeds one year.

We do not believe that credit risk had a material effect on our business, financial condition or results of operations. The largest customer balance represented 5% of trade and other receivables in 2020. Our cash and cash equivalents are deposited with reputable financial institutions. If customers representing a significant percentage of our trade receivables are unable to meet their payment obligations to us, we may suffer harm to our business, financial condition or results of operations.

Inflation Risk

We do not believe that inflation had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition or results of operations.

Critical Accounting Policies and Significant Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise judgement in applying our accounting policies. Disclosed below are the areas which require a high degree of judgment, significant assumptions and/or estimates. The most significant assumptions used in the financial statements are the underlying assumptions used in revenue recognition, capitalized internal development costs, share-based compensation, goodwill impairment testing, defined benefit pension liabilities, expected credit loss, income taxes, and derivatives. We base estimates and assumptions on historical experience when available and on various factors that we determined to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies and significant estimates that involve a higher degree of judgment and complexity are described in the "Management's discussion and analysis of financial conditions and results of operations—Critical Accounting Policies, Significant Judgments and Estimates" section of the Prospectus. There have been no material changes to our critical accounting policies and estimates as disclosed therein, with the exception of our adoption of recent accounting pronouncements, as discussed below.

Recent Accounting Pronouncements

In connection with our recent adoption of IFRS for the preparation of our financial statements, certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2020 reporting period and have not been adopted early by us. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. See Note 35 to the audited condensed consolidated financial statements included in the Prospectus and Note 1 of our unaudited interim condensed consolidated financial statements included as Exhibit 99.1 to the Report on Form 6-K to which this discussion and analysis is included as Exhibit 99.2.

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107 of 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. This provision allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. This transition period is only applicable under U.S. GAAP. As a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required or permitted by the International Accounting Standards Board.

Subject to certain conditions, as an emerging growth company, we intend to rely on certain of these exemptions, including without limitation, (i) providing an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board, regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (ii) December 31, 2026; (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the previous three years; and (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC, which means the market value of our ordinary shares that are held by non-affiliates equals or exceeds $700.0 million as of the prior June 30th.

Exhibit 99.3

SOPHiA GENETICS Reports Second Quarter 2021 Financial Results and Issues 2021 Guidance

BOSTON and LAUSANNE, Switzerland, Sept 9, 2021 — SOPHiA GENETICS SA (NASDAQ: SOPH), today reported financial results for the three months ended June 30, 2021.

Recent Highlights

- Revenue was $10.2 million for the second quarter, representing a 72% increase over the corresponding period of 2020
- Increased total customer base of hospitals, labs, and biopharma institutions to 780 customers during the second quarter, up from 750 in the first quarter of 2021
- Strengthened balance sheet by raising approximately $217 million in net proceeds from the initial public offering in July 2021 and an additional $20 million in gross proceeds from a private placement investment from an affiliate of GE Healthcare
- Expanded partnership with DASA, the largest integrated healthcare network in Brazil, to offer the first decentralized homologous recombination deficiency (HRD) solution in Latin America
- Announced a co-marketing agreement with Agilent to offer an end-to-end solution that automates next generation sequencing (NGS) library preparation and analytics processes for cancer research

“We had solid execution across our business during the second quarter, growing top line revenue more than 70% over the prior year period,” said Jurgi Camblong, Co-Founder and CEO of SOPHiA GENETICS. “I am encouraged by our growing customer base as well as the increasing enthusiasm around for the impacts data driven medicine can have on patient outcomes. Overall, I am so proud of what we have achieved at SOPHiA and even more excited for what lies ahead. We are committed to unlocking data siloes, leveraging AI to generate actionable insights from data, and helping healthcare professionals work together as a community and deploy their collective expertise for the benefit of patients around the world.”

Second Quarter 2021 Financial Results

Total revenue for the second quarter of 2021 was $10.2 million compared to $5.9 million for the second quarter of 2020, representing a 72% increase. This increase was primarily driven by new customers onboarded onto the platform and improved usage rates across existing customers as COVID-19 related restrictions loosened.

Gross profit in the second quarter of 2021 was $6.2 million, an increase of 57% compared to a gross profit of $4.0 million in the second quarter of 2020. Gross profit margin was 61% in the second quarter of 2021 as compared to 67% in the second quarter of 2020. The decline in gross margin was primarily attributable to increased computational and storage-related costs and negative FX movement. Adjusted gross profit was $6.3 million, and adjusted gross margin was 62% in the second quarter of 2021 after adjusting for the amortization of capitalized research and development expenses, which is expected to grow over time as SOPHiA expands its research and development efforts.

Total operating expenses for the second quarter of 2021 were $22.2 million compared to $11.0 million dollars in the second quarter of 2020. This increase in operating expenses was primarily attributable to increases in employee-related expenses for R&D initiatives related to the development of new products, increased sales momentum as COVID-19 restrictions loosened, and continued scale-up of the Company. Other contributing factors include increased commissions and sales-related costs, development of quality-related initiatives to support a potential expansion into more regulated markets, and IPO-related expenses.

Operating loss in the second quarter of 2021 was $15.9 million, compared to $7.0 million in the second quarter of 2020. Adjusted operating loss in the second quarter of 2021 was $14.3 million, compared to $6.4 million in the second quarter of 2020.

Net loss in the second quarter of 2021 was $18.4 million, compared to $7.9 million in the second quarter of 2020. Net loss per share was $0.38 in the second quarter of 2021, as compared to $0.20 in the second quarter of 2020. Adjusted net loss in the second quarter of 2021 was 15.0 million compared to $7.0 million in the second quarter of 2020. Adjusted net loss per share was $0.31 in the second quarter of 2021, as compared to $0.18 in the second quarter of 2020.

Cash and cash equivalents, including term deposits, were approximately $64 million as of June 30, 2021. After quarter end, the Company priced its IPO and began trading on July 23, 2021, raising approximately $243 million of gross proceeds, yielding approximately $217 million in net proceeds. Concurrent with the IPO, the Company raised an additional $20 million in gross proceeds upon the completion of a private placement investment from an affiliate of GE Healthcare.

2021 Outlook

SOPHiA Genetics expects full year revenue for 2021 to be greater than $39 million, representing growth of over 37% compared to the prior year period.

Webcast and Conference Call Information

SOPHiA GENETICS will host a conference call to discuss the second quarter 2021 financial results, business developments and outlook before market open on Thursday, September 9, 2021 at 8:30 AM Eastern Time / 5:30 AM Pacific Time. Live audio of the webcast will be available on the “Investors” section of the Company website at: ir.sophiagenetics.com.

About SOPHiA GENETICS

SOPHiA GENETICS is a healthcare technology company dedicated to establishing the practice of data-driven medicine as the standard of care and for life sciences research. It is the creator of the SOPHiA DDM™ Platform, a cloud-based SaaS platform capable of analyzing data and generating insights from complex multimodal data sets and different diagnostic modalities. The SOPHiA DDM™ Platform and related solutions, products and services are currently used by more than 780 hospital, laboratory, and biopharma institutions globally.

More info: SOPHiAGENETICS.COM; follow @SOPHiAGENETICS on Twitter.

Non-IFRS Financial Measures

To provide investors with additional information regarding our financial results, we have disclosed here and elsewhere in this earnings release the following non-IFRS measures:

- Adjusted cost of revenue, which we calculate as cost of revenue adjusted to exclude amortization of capitalized research and development expenses;
- Adjusted gross profit, which we calculate as revenue minus adjusted cost of revenue;
- Adjusted gross profit margin, which we calculated as adjusted gross profit as a percentage of revenue;

- Adjusted operating loss, which we calculate as operating loss adjusted to exclude those adjustments made to calculate adjusted cost of revenue, amortization of intangible assets, share-based compensation expense, non-cash portion of pensions expense paid in excess of actual contributions to match the actuarial expense, and non-recurring expenses related to the IPO that were not capitalized;

- Adjusted finance income (expense), net, which we calculate as finance income (expense), net adjusted to exclude changes in the fair valuation of the derivative tied to the success fee we are obligated to pay to TriplePoint Capital LLC upon completion of our initial public offering;

- Adjusted loss for the period, which we calculate as loss for the period adjusted to exclude those adjustments made to calculate adjusted cost of revenue, adjusted operating loss and adjusted finance income (expense); and

- Adjusted loss per share, which we calculate as adjusted net loss divided by the weighted-average number of shares.

These non-IFRS measures are key measures used by our management and board of directors to evaluate our operating performance and generate future operating plans. The exclusion of certain expenses facilitates operating performance comparability across reporting periods by removing the effect of non-cash expenses and certain variable charges. Accordingly, we believe that these non-IFRS measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors.

These non-IFRS measures have limitations as financial measures, and you should not consider them in isolation or as a substitute for analysis of our results as reported under IFRS. Some of these limitations are:

- These non-IFRS measures exclude the impact of amortization of capitalized research and development expenses and intangible assets. Although amortization is a non-cash charge, the assets being amortized may need to be replaced in the future and these non-IFRS measures do not reflect capital expenditure requirements for such replacements or for new capital expenditures;

- These non-IFRS measures exclude the impact of share-based compensation expenses. Share-based compensation has been, and will continue to be for the foreseeable future, a recurring expense in our business and an important part of our compensation strategy;

- These non-IFRS measures exclude the impact of the non-cash portion of pensions paid in excess of actual contributions to match actuarial expenses. Pension expenses have been, and will continue to be for the foreseeable future, a recurring expense in our business;

- These non-IFRS measures exclude the impact of non-recurring expenses related to our IPO, which are cash expenditures, and we expect to incur financing expenses from time to time;

- These non-IFRS measures exclude the impact of changes in fair value of the derivative associated with the fee payable to TriplePoint Capital LLC, which we must repay in cash upon completion of our IPO; and

- Other companies, including companies in our industry, may calculate these non-IFRS measures differently, which reduces their usefulness as comparative measures.

Because of these limitations, you should consider these non-IFRS measures alongside other financial performance measures, including various cash flow metrics, net income and our other IFRS results.

The tables below provide the reconciliation of the most comparable IFRS measures to the non-IFRS measures for the periods presented.

Forward-Looking Statements

This press release contains statements that constitute forward-looking statements. All statements other than statements of historical facts contained in this press release, including statements regarding our future results of operations and financial position, business strategy, products and technology, as well as plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including those described in our filings with the U.S. Securities and Exchange Commission. No assurance can be given that such future results will be achieved. Such forward-looking statements contained in this document speak only as of the date of this press release. We expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in our expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law. No representations or warranties (expressed or implied) are made about the accuracy of any such forward-looking statements.

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SOPHiA GENETICS SA

Interim Condensed Consolidated Statement of Loss
(Amounts in USD thousands, except per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Revenue	**$ 10,178**	**$ 5,916**	**$ 19,154**	**$ 13,397**
Cost of revenue	(3,948)	(1,950)	(7,307)	(4,863)
Gross profit	**6,230**	**3,966**	**11,847**	**8,534**
Research and development costs	(6,385)	(3,765)	(12,565)	(8,396)
Selling and marketing costs	(7,573)	(3,788)	(12,455)	(9,138)
General and administrative costs	(8,224)	(3,522)	(16,857)	(7,524)
Other operating income (expense), net	28	69	52	(145)
Operating loss	**(15,924)**	**(7,040)**	**(29,978)**	**(16,669)**
Finance income (expense), net	(2,426)	(797)	(865)	(1,687)
Loss before income taxes	**(18,350)**	**(7,837)**	**(30,843)**	**(18,356)**
Income tax (expense)	(40)	(18)	(215)	(36)
Loss for the period	**(18,390)**	**(7,855)**	**(31,058)**	**(18,392)**
Attributable to the owners of the parent	**$ (18,390)**	**$ (7,855)**	**$ (31,058)**	**$ (18,392)**
Loss per share				
Basic and diluted loss per share	$ (0.38)	$ (0.20)	$ (0.64)	$ (0.48)

SOPHiA GENETICS SA

Interim Condensed Consolidated Statement of Comprehensive Loss
(Amounts in USD thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Loss for the period	**$ (18,390)**	**$ (7,855)**	**$ (31,058)**	**$ (18,392)**
Other comprehensive loss:				
Items that may be reclassified to loss (net of tax)				
Currency translation differences	2,302	196	(4,721)	200
Total items that may be reclassified to loss	**$ 2,302**	**$ 196**	**$ (4,721)**	**$ 200**
Other comprehensive income (loss) for the period	**$ 2,302**	**$ 196**	**$ (4,721)**	**$ 200**
Total comprehensive loss for the period	**$ (16,088)**	**$ (7,659)**	**$ (35,779)**	**$ (18,192)**
Attributable to owners of the parent	**$ (16,088)**	**$ (7,659)**	**$ (35,779)**	**$ (18,192)**

SOPHiA GENETICS SA

Interim Condensed Consolidated Balance Sheet
(Amounts in USD thousands)

	(Unaudited) June 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 42,487	$ 74,625
Term deposits and short-term investments	21,647	22,720
Accounts receivable, net	7,514	6,363
Inventory	3,667	3,384
Prepaids and other current assets	4,930	2,602
Total current assets	**80,245**	**109,694**
Non-current assets		
Property and equipment, net	2,559	1,772
Intangible assets, net	13,899	13,282
Right-of-use assets	3,114	3,767
Deferred tax asset	2,030	2,114
Other non-current assets	2,194	1,486
Total non-current assets	**23,796**	**22,421**
Total assets	**$ 104,041**	**$ 132,115**
Liabilities and equity		
Current liabilities		
Accounts payable	$ 6,248	$ 5,907
Accrued expenses	10,750	9,081
Deferred contract revenue	4,083	2,642
Current portion of borrowings	—	2,873
Current portion of lease liabilities	967	1,036
Other current liabilities	2,859	48
Total current liabilities	**24,907**	**21,587**
Non-current liabilities		
Deferred contract revenue, net of current portion	138	142
Borrowings, net of current portion	—	457
Lease liabilities, net of current portion	2,314	2,883
Defined benefit pension liabilities	5,247	5,158
Other non-current liabilities	341	1,378
Total non-current liabilities	**8,040**	**10,018**
Total liabilities	**32,947**	**31,605**
Equity		
Share capital	2,529	2,460
Share premium	231,887	227,429
Other reserves	5,415	8,300
Accumulated deficit	(168,737)	(137,679)
Total equity	**71,094**	**100,510**
Total liabilities and equity	**$ 104,041**	**$ 132,115**

SOPHiA GENETICS SA

Interim Condensed Consolidated Statement of Cash Flows
(Amounts in USD thousands)
(Unaudited)

	Six months ended June 30, 2021	Six months ended June 30, 2020
Operating activities		
Loss before tax	$ (30,843)	$ (18,356)
Adjustments for non-monetary items		
Depreciation	892	869
Amortization	490	263
Interest expense	1,937	679
Interest income	(8)	(20)
Expected credit loss allowance	(335)	441
Other non-cash items of income and expense	2,158	932
Working capital changes		
(Increase) decrease in accounts receivable	(910)	1,563
(Increase) decrease in other current assets	(1,070)	618
(Increase) decrease in inventory	(482)	(168)
Increase (decrease) in accounts payables	2,067	1,401
Cash used in operating activities		
Income tax refund received	—	148
Interest paid	(244)	(395)
Interest received	3	9
Net cash flows used in operating activities	**(26,345)**	**(12,016)**
Investing activities		
Purchase of property and equipment	(1,245)	(184)
Acquisition of intangible assets	(70)	(209)
Capitalized development costs	(1,641)	(1,289)
Net cash flow used in investing activities	**(2,956)**	**(1,682)**
Financing activities		
Proceeds from issuance of share capital, net of transaction costs	—	64,667
Payments of IPO transaction costs	(318)	—
Proceeds from exercise of share options	4,527	346
Proceeds from borrowings	—	15,433
Repayments of borrowings	(3,167)	(7,296)
Payments of principal portion of lease liabilities	(509)	(481)
Net cash flow provided (used) in financing activities	**533**	**72,669**
Increase (decrease) in cash and cash equivalents	**(28,768)**	**58,971**
Effect of exchange differences on cash balances	(3,370)	446
Cash and cash equivalents at beginning of the period	74,625	18,069
Cash and cash equivalents at end of the period	**$ 42,487**	**$ 77,486**

SOPHiA GENETICS SA

Reconciliation of IFRS to Adjusted Cost of Revenue
(Amounts in USD thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Cost of revenue	**$ (3,948)**	**$ (1,950)**	**$ (7,307)**	**$ (4,863)**
Amortization of capitalized research and development expenses (1)	109	—	177	—
Adjusted cost of revenue	**$ (3,839)**	**$ (1,950)**	**$ (7,130)**	**$ (4,863)**

Reconciliation of IFRS to Adjusted Gross Profit and Gross Profit Margin
(Amounts in USD thousands, except percentages)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenue	**$ 10,178**	**$ 5,916**	**$ 19,154**	**$ 13,397**
Cost of revenue	(3,948)	(1,950)	(7,307)	(4,863)
Gross profit	**6,230**	**3,966**	**11,847**	**8,534**
Amortization of capitalized research and development expenses (1)	109	—	177	—
Adjusted Gross Profit	**$ 6,339**	**$ 3,966**	**$ 12,024**	**$ 8,534**
Gross profit margin	**61%**	**67%**	**62%**	**64%**
Amortization of capitalized research and development expenses (1)	1%	—	1%	—
Adjusted gross profit margin	**62%**	**67%**	**63%**	**64%**

SOPHiA GENETICS SA

Reconciliation of IFRS to Adjusted Operating Loss
(Amounts in USD thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Operating loss	**$ (15,924)**	**$ (7,040)**	**$ (29,978)**	**$ (16,669)**
Amortization of capitalized research and development costs [(1)]	109	—	177	—
Amortization of intangible assets [(2)]	161	142	313	263
Share-based compensation expense [(3)]	1,197	314	1,836	584
Non-cash pension expense [(4)]	158	204	335	428
Non-recurring IPO-related expenses [(5)]	—	—	323	—
Adjusted operating loss	**$ (14,299)**	**$ (6,380)**	**$ (26,994)**	**$ (15,394)**

Reconciliation of IFRS to Adjusted Finance Income (Expense), Net
(Amounts in USD thousands)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Finance income (expense), net	**$ (2,426)**	**$ (797)**	**$ (865)**	**$ (1,687)**
Change in fair value of derivative [(6)]	1,746	234	1,698	240
Adjusted finance income (expense), net	**$ (680)**	**$ (563)**	**$ 833**	**$ (1,447)**

SOPHiA GENETICS SA

Reconciliation of IFRS to Adjusted Loss for the Period and Loss per Share
(Amounts in USD thousands, except per share and share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Loss for the period	**$ (18,390)**	**$ (7,855)**	**$ (31,058)**	**$ (18,392)**
Amortization of capitalized research and development costs (1)	109	—	177	—
Amortization of intangible assets (2)	161	142	313	263
Share-based compensation expense (3)	1,197	314	1,836	584
Non-cash pension expense (4)	158	204	335	428
Non-recurring IPO-related expenses (5)	—	—	323	—
Change in fair value of derivative (6)	1,746	234	1,698	240
Adjusted loss for the period	**$ (15,019)**	**$ (6,961)**	**$ (26,376)**	**$ (16,877)**
Loss per share				
Basic and diluted loss per share	$ (0.38)	$ (0.20)	$ (0.64)	$ (0.48)
Adjusted basic and diluted loss per share	$ (0.31)	$ (0.18)	$ (0.54)	$ (0.44)
Number of shares used in computing basic and diluted loss per share	48,917,028	38,739,147	48,468,831	38,558,253

Notes to the Reconciliation of IFRS to Adjusted Financial Measures Tables

(1) Amortization of capitalized research and development expenses consists of software development costs amortized using the straight-line method over an estimated life of five years. These expenses do not have a cash impact but remain a recurring expense generated over the course of our research and development initiatives.

(2) Amortization of intangible assets consists of costs related to intangible assets amortized over the course of their useful lives. These expenses do not have a cash impact, but we could continue to generate such expenses through future capital investments.

(3) Share-based compensation expense represents the cost of equity awards issued to our directors, officers, and employees. The fair value of awards is computed at the time the award is granted and is recognized over the vesting period of the award by a charge to the income statement and a corresponding increase in other reserves within equity. These expenses do not have a cash impact but remain a recurring expense for our business and represent an important part of our overall compensation strategy.

(4) Non-cash pension expense consists of the amount recognized in excess of actual contributions made to our defined pension plans to match actuarial expenses calculated for IFRS purposes. The difference represents a non-cash expense but remain a recurring expense for our business as we continue to make contributions to our plans for the foreseeable future.

(5) Non-recurring IPO-related expenses represent expenses incurred for our initial public offering that were not capitalized and are not expected to be recurring during the ordinary course of our business.

(6) Change in fair value of derivative consists of changes in the fair valuation of the derivative related to the success fee owed to TriplePoint Capital LLC upon the completion of our initial public offering. We are obligated to pay the fee in cash but upon payment, we will cease to incur the associated expenses.