
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 November 2024.

Commission File Number: 001-40627

SOPHIA GENETICS SA
(Exact name of registrant as specified in its charter)

La Pièce 12
CH-1180 Rolle
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 ☒ x Form 40-F ☐

SIGNATURE

This Report on Form 6-K (other than Exhibit 99.3 hereto), including Exhibits 99.1 and 99.2 hereto, shall be deemed to be incorporated by reference into the registration statements on Form F-3 (Registration No. 333-266704; Registration No. 333-280060) of SOPHiA GENETICS SA and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

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: November 5, 2024

By: /s/ Daan van Well

Name: Daan van Well

Title: Chief Legal Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited interim condensed consolidated financial statements as of and for the three and nine months ended September 30, 2024
99.2	Management's discussion and analysis of financial condition and results of operations
99.3	Press Release dated November 5, 2024

Index to Consolidated Financial Statements

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SOPHiA GENETICS SA
Unaudited Interim Condensed Consolidated Financial Statements

SOPHiA GENETICS SA, Rolle
Interim Condensed Consolidated Statements of Loss
(Amounts in USD thousands, except per share data)
(Unaudited)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Revenue	5	\$ 15,853	\$ 16,303	\$ 47,440	\$ 45,323
Cost of revenue		(5,199)	(5,030)	(15,605)	(14,309)
Gross profit		10,654	11,273	31,835	31,014
Research and development costs		(7,874)	(8,984)	(25,223)	(27,209)
Selling and marketing costs		(7,306)	(6,830)	(21,515)	(20,457)
General and administrative costs		(10,880)	(12,749)	(34,288)	(40,032)
Other operating income, net		43	746	67	805
Operating loss		(15,363)	(16,544)	(49,124)	(55,879)
Interest income, net		267	1,152	1,475	3,148
Fair value adjustments on warrant obligations	9	182	—	266	—
Foreign exchange (losses) gains, net		(3,394)	1,867	655	(1,711)
Loss before income taxes		(18,308)	(13,525)	(46,728)	(54,442)
Income tax expense		(130)	(299)	(607)	(478)
Loss for the period		(18,438)	(13,824)	(47,335)	(54,920)
Attributable to the owners of the parent		(18,438)	(13,824)	(47,335)	(54,920)
Basic and diluted loss per share	7	\$ (0.28)	\$ (0.21)	\$ (0.72)	\$ (0.85)

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

SOPHiA GENETICS SA, Rolle
Interim Condensed Consolidated Statements of Comprehensive Loss
(Amounts in USD thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Loss for the period	\$ (18,438)	\$ (13,824)	\$ (47,335)	\$ (54,920)
Other comprehensive (loss) income:				
<i>Items that may be reclassified to statement of loss (net of tax)</i>				
Currency translation adjustments	6,990	(3,382)	(2,149)	2,269
Total items that may be reclassified to statement of loss	6,990	(3,382)	(2,149)	2,269
<i>Items that will not be reclassified to statement of loss (net of tax)</i>				
Remeasurement of defined benefit plans	(173)	13	(231)	(283)
Total items that will not be reclassified to statement of loss	(173)	13	(231)	(283)
Other comprehensive (loss) income for the period	\$ 6,817	\$ (3,369)	\$ (2,380)	\$ 1,986
Total comprehensive loss for the period	\$ (11,621)	\$ (17,193)	\$ (49,715)	\$ (52,934)
Attributable to owners of the parent	\$ (11,621)	\$ (17,193)	\$ (49,715)	\$ (52,934)

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

SOPHiA GENETICS SA, Rolle
Interim Condensed Consolidated Balance Sheets
(Amounts in USD thousands)
(Unaudited)

	Notes	September 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		\$ 95,787	\$ 123,251
Accounts receivable	5, 6	9,762	13,557
Inventory		6,477	6,482
Prepays and other current assets		5,178	4,757
Total current assets		117,204	148,047
Non-current assets			
Property and equipment		6,018	7,469
Intangible assets		30,354	27,185
Right-of-use assets		15,768	15,635
Deferred tax assets		1,826	1,720
Other non-current assets		6,438	6,100
Total non-current assets		60,404	58,109
Total assets		\$ 177,608	\$ 206,156
Liabilities and equity			
Current liabilities			
Accounts payable		\$ 5,869	\$ 5,391
Accrued expenses		13,818	17,808
Deferred contract revenue		8,150	9,494
Lease liabilities, current portion		2,477	2,928
Warrant obligations	9	546	—
Total current liabilities		30,860	35,621
Non-current liabilities			
Borrowings	9	13,162	—
Lease liabilities, net of current portion		16,034	15,673
Defined benefit pension liabilities		3,603	3,086
Other non-current liabilities		442	334
Total non-current liabilities		33,241	19,093
Total liabilities		64,101	54,714
Equity			
Share capital		4,188	4,048
Share premium		472,211	471,846
Treasury share		(719)	(646)
Other reserves		62,946	53,978
Accumulated deficit		(425,119)	(377,784)
Total equity		113,507	151,442
Total liabilities and equity		\$ 177,608	\$ 206,156

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

SOPHiA GENETICS SA, Rolle
Interim Condensed Consolidated Statements of Changes in Equity
(Amounts in USD thousands)
(Unaudited)

	Notes	Share capital	Share premium	Treasury share	Other reserves	Accumulated deficit	Total
As of January 1, 2024		\$ 4,048	\$ 471,846	\$ (646)	\$ 53,978	\$ (377,784)	\$ 151,442
Loss for the period		—	—	—	—	(47,335)	(47,335)
Other comprehensive loss		—	—	—	(2,380)	—	(2,380)
Total comprehensive loss		—	—	—	(2,380)	(47,335)	(49,715)
Share-based compensation	10	—	—	—	11,410	—	11,410
Transactions with owners							
Vesting of restricted stock units		—	—	62	(62)	—	—
Issuance of shares to be held as treasury shares		140	—	(140)	—	—	—
Exercise of share options		—	365	5	—	—	370
As of September 30, 2024		\$ 4,188	\$ 472,211	\$ (719)	\$ 62,946	\$ (425,119)	\$ 113,507

	Notes	Share capital	Share premium	Treasury share	Other reserves	Accumulated deficit	Total
Balance as of July 1, 2024		\$ 4,048	\$ 472,140	\$ (590)	\$ 52,526	\$ (406,681)	\$ 121,443
Loss for the period		—	—	—	—	(18,438)	(18,438)
Other comprehensive income		—	—	—	6,817	—	6,817
Total comprehensive loss		—	—	—	6,817	(18,438)	(11,621)
Share-based compensation	10	—	—	—	3,613	—	3,613
Transactions with owners							
Vesting of restricted stock units		—	—	10	(10)	—	—
Issuance of shares to be held as treasury shares		140	—	(140)	—	—	—
Exercise of share options		—	71	1	—	—	72
As of September 30, 2024		\$ 4,188	\$ 472,211	\$ (719)	\$ 62,946	\$ (425,119)	\$ 113,507

	Notes	Share capital	Share premium	Treasury share	Other reserves	Accumulated deficit	Total
As of January 1, 2023		\$ 3,464	\$ 471,623	\$ (117)	\$ 23,963	\$ (298,803)	\$ 200,130
Loss for the period		—	—	—	—	(54,920)	(54,920)
Other comprehensive income		—	—	—	1,986	—	1,986
Total comprehensive loss		—	—	—	1,986	(54,920)	(52,934)
Share-based compensation	10	—	—	—	11,036	—	11,036
Transactions with owners							
Vesting of restricted stock units		—	—	46	(46)	—	—
Issuance of shares to be held as treasury shares		584	—	(584)	—	—	—
Exercise of share options		—	204	3	—	—	207
As of September 30, 2023		\$ 4,048	\$ 471,827	\$ (652)	\$ 36,939	\$ (353,723)	\$ 158,439

	Notes	Share capital	Share premium	Treasury share	Other reserves	Accumulated deficit	Total
Balance as of July 1, 2023		\$ 4,048	\$ 471,827	\$ (657)	\$ 36,383	\$ (339,899)	\$ 171,702
Loss for the period		—	—	—	—	(13,824)	(13,824)
Other comprehensive loss		—	—	—	(3,369)	—	(3,369)
Total comprehensive loss		—	—	—	(3,369)	(13,824)	(17,193)
Share-based compensation	10	—	—	—	3,930	—	3,930
Transactions with owners							
Vesting of restricted stock units		—	—	5	(5)	—	—
As of September 30, 2023		\$ 4,048	\$ 471,827	\$ (652)	\$ 36,939	\$ (353,723)	\$ 158,439

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

SOPHiA GENETICS SA, Rolle
Interim Condensed Consolidated Statements of Cash Flows
(Amounts in USD thousands)
(Unaudited)

		Nine months ended September 30,	
	Notes	2024	2023
Operating activities			
Loss before tax		\$ (46,728)	\$ (54,442)
Adjustments for non-monetary items			
Depreciation		3,439	4,339
Amortization		2,870	2,016
Finance (income) expense, net		(2,333)	1,641
Fair value adjustments on warrant obligations	9	(266)	—
Expected credit loss allowance	6	(252)	54
Share-based compensation	10	11,410	11,036
Movements in provisions and pensions		246	764
Research tax credit		(460)	(785)
Loss on disposal of property and equipment		—	28
Gain on disposal of lease liability		—	(730)
Working capital changes			
Decrease (Increase) in accounts receivable		3,813	(2,880)
Increase in prepaids and other assets		(420)	(2,869)
Decrease (Increase) in inventory		48	(328)
(Decrease) Increase in accounts payables, accrued expenses, deferred contract revenue, and other liabilities		(4,822)	2,284
Cash used in operating activities		(33,455)	(39,872)
Income tax paid		(374)	(759)
Interest paid	9	(1,133)	(6)
Interest received		2,741	3,354
Net cash flows used in operating activities		(32,221)	(37,283)
Investing activities			
Purchase of property and equipment		(187)	(1,369)
Acquisition of intangible assets		(195)	(1,033)
Capitalized development costs		(5,854)	(4,575)
Proceeds upon maturity of term deposits		—	17,546
Net cash flow (used in) provided from investing activities		(6,236)	10,569
Financing activities			
Proceeds from exercise of share options		370	207
Proceeds from borrowings, net of transaction costs	9	13,930	—
Payments of principal portion of lease liabilities		(2,142)	(2,518)
Net cash flow provided from (used in) financing activities		12,158	(2,311)
Decrease in cash and cash equivalents		(26,299)	(29,025)
Effect of exchange differences on cash balances		(1,165)	487
Cash and cash equivalents at beginning of the year		123,251	161,305
Cash and cash equivalents at end of the period		\$ 95,787	\$ 132,767

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

SOPHiA GENETICS SA, Rolle

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Company information

General information

SOPHiA GENETICS SA and its consolidated subsidiaries (NASDAQ: SOPH) ("the Company") is a cloud-native software company in the healthcare space, incorporated on March 18, 2011, and headquartered in Rolle, Switzerland. The Company is dedicated to establishing the practice of data-driven medicine as the standard of care in health care and for life sciences research. The Company has built a software 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. The Company collectively refers to SOPHiA DDM™ Platform and related products and solutions as "SOPHiA DDM Platform."

On June 26, 2023, during the Company's Annual General Meeting, the move of the statutory seat from Saint-Sulpice, Canton Vaud, Switzerland to Rolle, Canton Vaud, Switzerland was approved.

As of September 30, 2024, the Company had the following wholly-owned subsidiaries:

Name	Country of domicile
SOPHiA GENETICS S.A.S.	France
SOPHiA GENETICS LTD	U.K.
SOPHiA GENETICS, Inc.	U.S.
SOPHiA GENETICS Intermediação de Negócios LTDA	Brazil
SOPHiA GENETICS PTY LTD	Australia
SOPHiA GENETICS S.R.L.	Italy

All intercompany transactions and balances have been eliminated in consolidation.

The Company's Board of Directors approved the issue of the unaudited interim condensed consolidated financial statements on November 5, 2024.

Basis of preparation

Compliance with International Financial Reporting Standards

These unaudited interim condensed consolidated financial statements, as of and for the three and nine months ended September 30, 2024, of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2023.

Accounting policies

The material 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, 2023, 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.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Transaction costs include any incremental costs directly attributable to the issuance of the financial liability, that would otherwise have not been incurred if the Company did not issue the financial instrument. Borrowings are subsequently measured at amortized cost using the effective interest method. The effective interest method recognizes any difference between the loan proceeds, net of transaction costs, and the redemption amount as interest expense through the statement of profit and loss. Changes in the effective interest rate ("EIR") are updated prospectively based on the most recent interest payment rate at the end of each reporting period. Borrowings are removed from the balance sheet when the obligation is discharged, cancelled, or repaid. When the borrowing is removed from the balance sheet, any difference between the carrying amount of the financial liability, and the consideration paid, is recognized in profit or loss as a non-operating income or expense. Borrowings are classified as current liabilities unless the maturity date is greater than 12 months or Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Income tax expense

Taxes on income in the interim periods are accrued using the tax rates that would be applicable based on 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. Potential remeasurement gains or losses from the defined benefits plan are estimated based on the relevant indexes at the end of the reporting period and recorded in the Company's statements of comprehensive loss.

Designated cash

Previously, the Company had designated cash in a separate bank account to be used exclusively to settle potential liabilities arising from claims against directors and officers covered under the Company's Directors and Officers Insurances Policy ("D&O Policy"). Setting up the designated account significantly reduced the premiums associated with the D&O Policy. As of September 30, 2023, the Company had \$15 million of designated cash in a separate bank account to be used exclusively to settle potential liabilities arising from claims against directors and officers covered under the Company's D&O Policy. In June 2024, the Company renewed the policy and under the new D&O policy removed the requirement for the Company to maintain a designated cash amount. The new D&O policy and elimination of designated cash went into effect in July 2024.

Recent new accounting standards, amendments to standards, and interpretations

New standards, amendments to standards, and interpretations issued recently effective

As of January 1, 2024 the amendments to paragraphs 69 to 76 of IAS 1, *Presentation of Financial Statements* ("IAS 1"), as issued by the IASB became effective. The Company assessed the changes to the accounting standard and determined the amendments did not have a material impact on the Company's financial statements.

New standards, amendments to standards, and interpretations issued not yet effective

In April 2024, IFRS 18, *Presentation and Disclosure in Financial Statements*, was issued to achieve comparability of the financial performance of similar entities. The standard, which will replace IAS 1 impacts the presentation of primary financial statements and notes, including the statement of profit and loss where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, and requires retrospective application. The Company is currently evaluating the new standard to determine if it will have a material impact on the Company's financial statements.

There are no other IFRS Accounting Standards or IFRS Interpretations Committee interpretations that are not yet effective and that could have a material impact to the interim condensed consolidated financial statements.

Critical estimates and judgments

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

Going concern basis

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

Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's reporting currency of the Company's consolidated financial statements is the United States Dollar ("USD"). Assets and liabilities denominated in foreign currencies are translated at the month-end spot exchange rates, income statement accounts are translated at average rates of exchange for the period presented, and equity is translated at historical exchange rates. Any translation gains or losses are recorded in other comprehensive income (loss). Gains or losses resulting from foreign currency transactions are included in net income.

Historical cost convention

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

Issued share capital

As of September 30, 2024, the Company had issued 79,321,220 shares, of which 66,438,595 are outstanding, and 12,882,625 are held by the Company as treasury shares. As of September 30, 2023, the Company had issued 76,898,164 shares, of which 65,132,006 were outstanding, and 11,766,158 were held by the Company as treasury shares.

Treasury shares

During the third quarter of 2024, the Company issued 2,423,056 registered shares to SOPHiA GENETICS LTD pursuant to a share delivery and repurchase agreement, which were immediately exercised, and repurchased the shares to hold as treasury shares for the purposes of administering the Company's equity incentive programs. As of September 30, 2024, the Company held 12,882,625 treasury shares. As of September 30, 2023, the Company held 11,766,158 treasury shares.

Treasury shares are recognized at acquisition cost and recorded at the time of the transaction. Upon exercise of share options or vesting of restricted stock units, the treasury shares are subsequently transferred. Any consideration received is included in shareholders' equity.

2. Fair Value

As of September 30, 2024, the carrying amount was a reasonable approximation of fair value for the following financial assets and liabilities:

Financial assets

- Cash and cash equivalents
- Accounts receivable
- Other non-current assets—lease deposits

Financial liabilities

- Accounts payable
- Accrued liabilities
- Borrowings

Recurring fair-value measurements

The following table presents the Company's fair value hierarchy for its financial assets and financial liabilities that were measured at fair value on a recurring basis as of September 30, 2024 (in thousands):

	Level 1	Level 2	Level 3
Financial assets:			
Cash and cash equivalents:			
Money market funds	\$ 48,919	\$ —	\$ —
Total financial assets	\$ 48,919	\$ —	\$ —
Financial liabilities:			
Warrant obligation:			
Perceptive Credit Holdings warrants	\$ —	\$ 546	\$ —
Total financial liabilities	\$ —	\$ 546	\$ —

The following table presents the Company's fair value hierarchy for its financial assets that were measured at fair value on a recurring basis as of December 31, 2023 (in thousands):

	Level 1	Level 2	Level 3
Financial assets:			
Cash and cash equivalents			
Money market funds	\$ 60,683	\$ —	\$ —
Total financial assets	\$ 60,683	\$ —	\$ —

The Company had no financial liabilities measured at fair value on a recurring basis as of December 31, 2023.

In the three and nine months ended September 30, 2024, 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, 2023. 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 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").

5. Revenue

Disaggregated revenue

When disaggregating revenue, the Company considered all of the economic factors that may affect its revenues. The Company assess its revenues by four geographic regions Europe, the Middle East, and Africa ("EMEA"); North America ("NORAM"); Latin America ("LATAM"); and Asia-Pacific ("APAC"). The following tables disaggregate the Company's revenue from contracts with customers by geographic market (in USD thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Switzerland	\$ 308	\$ 372	\$ 833	\$ 769
France	2,721	2,450	7,805	7,411
Italy	2,342	2,014	7,035	6,300
Spain	1,445	1,493	4,413	4,861
Rest of EMEA	4,600	5,158	13,523	13,037
EMEA	\$ 11,416	\$ 11,487	\$ 33,609	\$ 32,378
United States	\$ 2,021	\$ 2,269	\$ 6,922	\$ 6,387
Rest of NORAM	478	336	1,437	881
NORAM	\$ 2,499	\$ 2,605	\$ 8,359	\$ 7,268
LATAM	\$ 739	\$ 1,149	\$ 2,341	\$ 3,062
APAC	\$ 1,199	\$ 1,062	\$ 3,131	\$ 2,615
Total revenue	\$ 15,853	\$ 16,303	\$ 47,440	\$ 45,323

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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
SOPHiA DDM Platform	\$ 15,584	\$ 15,995	\$ 46,302	\$ 44,331
Workflow equipment and services	269	308	1,138	992
Total revenue	\$ 15,853	\$ 16,303	\$ 47,440	\$ 45,323

6. Accounts receivable

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

	September 30, 2024	December 31, 2023
Accounts receivable	\$ 5,760	\$ 10,259
Accrued contract revenue	4,895	4,451
Lease receivable	—	28
Allowance for expected credit losses	(893)	(1,181)
Net accounts receivable	\$ 9,762	\$ 13,557

The Company records increases to, reversals of, and write-offs of the allowance for expected credit losses as "Selling and Marketing" expenses within its interim condensed consolidated statements of profit and loss. The following table provides a rollforward of the allowance for expected credit losses for the nine months ended September 30, 2024 and 2023, that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected (in USD thousands):

	2024	2023
As of January 1	\$ 1,181	\$ 1,095
Increase	103	995
Reversals	(355)	(941)
Write-off	(30)	(110)
Currency translation adjustments	(6)	17
As of September 30	\$ 893	\$ 1,056

As of September 30, 2024 and December 31, 2023, the Company's largest customer's balance represented 8% and 24% of accounts receivable, respectively. All customer balances that individually exceeded 1% of accounts receivable in aggregate amounted to \$3.4 million and \$6.7 million as of September 30, 2024 and December 31, 2023, respectively.

7. Loss per share

The Company's shares are comprised of ordinary shares. Each share has a nominal value of \$0.05 (CHF 0.05). 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 excluding treasury shares, which are shares owned by the Company. The table presents the loss for the three and nine months ended September 30, 2024 and 2023, respectively (in USD thousands, except shares and loss per share):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net loss attributed to shareholders	\$ (18,438)	\$ (13,824)	\$ (47,335)	\$ (54,920)
Weighted average number of shares in issue	66,383,160	65,072,600	65,871,305	64,607,758
Basic and diluted loss per share	\$ (0.28)	\$ (0.21)	\$ (0.72)	\$ (0.85)

For the three and nine months ended September 30, 2024, the potential impact, on the calculation of loss per share, of the existing potential ordinary shares related to the share option plans and warrants are 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. Leases

Boston lease

On June 27, 2024, the Company entered into a 73-month lease for office space in Boston, Massachusetts primarily to support the expansion of the Company's growth in the United States. The lease in total is for approximately 12,807 square feet with lease commencement initiating upon the Company gaining access to the leased space. The Company gained access to the space during the third quarter of 2024 and recorded a right-of-use asset of \$2.0 million and a lease liability of \$1.9 million.

9. Borrowings

Perceptive Credit Agreement

On May 2, 2024 (the "closing date"), the Company and its subsidiary SOPHiA GENETICS, Inc. entered into a credit agreement and guaranty (the "Perceptive Credit Agreement") with Perceptive Credit Holdings IV, LP (the "lender"), as lender and administrative agent, pursuant to which the Company may borrow up to \$50.0 million principal amount of term loans, including (i) an initial tranche ("Tranche A") of \$15.0 million principal amount of term loans on the closing date and (ii) up to \$35.0 million principal amount of term loans that the Company may draw upon on or prior to March 31, 2026 ("Tranche B"), subject to satisfaction of certain customary conditions. The term loans are scheduled to mature on the fifth anniversary of the closing date and accrue interest at Term SOFR plus 6.25% per annum; provided that upon the occurrence and during the continuation of any event of default, the term loans will accrue interest at Term SOFR plus 9.25% per annum. Term SOFR means the SOFR reference rate that is two business days prior to the first day of the preceding calendar month. The Company has the right to prepay the term loans at any time subject to applicable prepayment premiums. The Perceptive Credit Agreement also contains certain mandatory prepayment provisions, including prepayments from the proceeds from certain asset sales and casualty events (subject to a right to reinvest such proceeds in assets used in the Company's business within 180 days) and from issuances or incurrences of non-permitted debt, which will also be subject to prepayment premiums. The obligations under the Perceptive Credit Agreement are secured by substantially all of the Company and certain of the Company's subsidiaries' assets and are guaranteed initially on the closing date by SOPHiA GENETICS SA and SOPHiA GENETICS, Inc. The Perceptive Credit Agreement contains customary covenants, including an affirmative covenant to maintain qualified cash of at least \$3.0 million, an affirmative last twelve months revenue covenant tested on a quarterly basis beginning June 30, 2024, and negative covenants including limitations on indebtedness, liens,

fundamental changes, asset sales, investments, dividends and other restricted payments and other matters customarily restricted in such agreements. The Perceptive Credit Agreement also contains customary events of default, including payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy and insolvency proceedings, cross-defaults to certain other agreements, judgments against the Company and the Company's subsidiaries and change in control, the occurrence of which gives the lenders the right to declare the term loans and all obligations under the Perceptive Credit Agreement immediately due and payable. The Company remains in full compliance with all covenants contained in the Perceptive Credit Agreement as of September 30, 2024.

In addition, the Company issued to Perceptive Credit Holdings IV, LP a warrant certificate (the "Warrant Certificate") representing the right to purchase up to 400,000 ordinary shares at \$4.9992 per share, with 200,000 ordinary shares available immediately and 200,000 ordinary shares to be available upon the drawdown of the second tranche of the term loans. The purchase rights represented by the Warrant Certificate are exercisable after becoming available, on a cash basis, at the option of the holder at any time prior to 5:00 p.m., Eastern time on the tenth anniversary of the applicable date of availability. The Warrant Certificate contains customary anti-dilution adjustments. In addition, the Company is required to file, within 30 business days of each availability date, a registration statement that registers for resale under the Securities Act the ordinary shares issuable upon exercise of the purchase rights represented by the Warrant Certificate. The Company will be required to keep such registration statement effective until all such ordinary shares have been sold, are eligible to be immediately sold to the public without registration or restriction, are no longer outstanding or are no longer held by persons entitled to registration rights.

Accounting for Tranche A

The Company accounted for Tranche A of the term loans and warrants as two separate financial instruments, with the \$15.0 million draw down: (i) a warrant obligation and (ii) a loan.

i) The warrant obligation is presented in the interim condensed consolidated balance sheet as a short-term liability given the warrants are not settled in the entity's functional currency and thus are not considered to be settled in a fixed amount and can be exercised currently without restriction or right to defer. The warrant obligation was initially measured at fair value using a Black-Scholes pricing model and is subsequently remeasured to fair value at each reporting date. Changes in the fair value (gains or losses) of the warrant obligation at the end of each period are recorded in the interim condensed consolidated statement of loss. The Company determined the Tranche A warrant obligation qualified as a level 2 fair value liability as inputs to the fair value measurement are derived principally from or corroborated by observable market data by correlation or other means. Refer to Note 2 — "Fair Value" for the current fair value amount for the warrant obligation.

ii) The term loan was initially recorded at its amortized cost of \$15.0 million less any capitalized expenses and fees payable upon the issuance ("transaction costs") and after allocating a portion of the proceeds to the fair value of the warrant obligation. The loan is presented as a long-term financial liability in the interim condensed consolidated balance sheet.

The Company assessed the allocation of transaction costs in accordance with IFRS 9 and determined the allocation to warrants was immaterial, as such the Company allocated the total amount of the transaction costs to the term loan. The transaction costs are presented net of the term loan on the interim condensed consolidated balance sheet. The transaction costs are amortized as non-cash interest expense recorded to the interim condensed consolidated statement of loss as the difference between the stated interest rate and the EIR. The EIR was determined upon the initial draw down of Tranche A at 15.2% and reassessed based on changes in the variable interest rate from the Perceptive Credit Agreement. The Company estimated the EIR over the three months from September 30, 2024 to December 31, 2024 as 15.4%.

The Company calculated the fair value of the warrant obligation on issuance using the Black-Scholes pricing model. The warrant obligation was recorded at an initial fair value of \$0.7 million on May 2, 2024. Key inputs for the valuation of the warrant obligation upon issuance were as follows:

	As of May 2, 2024
Exercise price in USD	\$5.00
Share price in USD	\$5.08
Risk-free interest rate	4.53%
Expected volatility (annualized)	71.77%
Expected term (years)	10.00
Dividend yield	—%
Black-Scholes value in USD	\$4.06

The Company remeasures the fair value of the warrant obligation on a quarterly basis. Key inputs for the remeasurement of the warrant obligation as of September 30, 2024 were as follows:

	As of September 30, 2024
Exercise price in USD	\$5.00
Share price in USD	\$3.65
Risk-free interest rate	3.75%
Expected volatility	73.12%
Expected term (years)	9.58
Dividend yield	—%
Black-Scholes value in USD	\$2.73

The loan was recorded at an initial amortized cost of \$13.3 million on May 2, 2024. This amount represents the residual amount of the \$15.0 million draw down after allocating \$0.7 million for the fair value of the warrant obligation and the \$1.1 million of transaction costs to be amortized as interest expense over the life of the loan. The following table presents the allocation of the loan proceeds and any movements in the liability for the nine months ended September 30, 2024, (in USD thousands):

Loan issuance amount	\$	15,000
Warrant obligation		(656)
Transaction costs		(1,070)
Initial loan amortized cost		13,274
Interest expense		810
Interest paid		(792)
Foreign currency revaluation		(130)
Net amortized cost as of September 30, 2024	\$	13,162

The Company notes there were no outstanding amounts under this credit agreement for the nine months ended September 30, 2023.

Revolving credit facility

On April 23, 2024, the Company terminated its existing credit agreement with Credit Suisse SA for up to CHF 5.0 million (\$5.5 million). Additionally, the Company entered into a new credit agreement with Credit Suisse SA

for up to CHF 0.1 million (\$0.1 million) to be used for cash credits, contingent liabilities, or as margin for OTC derivative transactions. Borrowings under the new credit agreement will bear interest at a rate to be established between the Company and Credit Suisse SA at the time of each draw down. As of September 30, 2024, the Company had no borrowings outstanding under the Credit Facility.

10. Share-based compensation

Stock Options

Share-based compensation expense for all stock awards consists of the following (in USD thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Research and development	\$ 953	\$ 932	\$ 2,871	\$ 2,489
Selling and marketing	567	416	1,453	794
General and administrative	2,093	2,582	7,086	7,753
Total	\$ 3,613	\$ 3,930	\$ 11,410	\$ 11,036

11. Related party transactions

Related parties are comprised of 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 six Executive Officers and Directors and six Non-Executive Directors as of September 30, 2024. Key management personnel were comprised of six Executive Officers and Directors and seven Non-Executive Directors as of September 30, 2023.

The following table provides compensation for key management and non-executive directors for the three and nine months ended September 30, 2024 and 2023 (in USD thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Salaries and other short-term employee benefits	\$ 1,459	\$ 1,237	\$ 2,975	\$ 3,106
Pension costs	62	59	192	175
Share-based compensation expense	2,447	2,917	7,936	7,713
Total	\$ 3,968	\$ 4,213	\$ 11,103	\$ 10,994

12. Events after the reporting date

The Company has evaluated, for potential recognition and disclosure, events that occurred prior to the date at which the unaudited interim condensed consolidated financial statements were approved to be issued.

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 interim condensed 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 "Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the year ended December 31, 2023.

Our interim condensed consolidated financial statements are presented in U.S. dollars and have been prepared in accordance with IFRS Accounting 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 our Annual Report on Form 20-F for the year ended December 31, 2023 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, other operating results and cash usage, including statements relating to the portion of our remaining performance obligation that we expect to recognize as revenue in future periods;
- our plans regarding further development of our SOPHiA DDM TM Platform and related products and solutions, which we collectively refer to as "SOPHiA DDM 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, applications, products, and services 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 applications, 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 applications, products, and services, as well as expectations of the benefits to patients, medical personnel and providers of our applications, 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 applications, 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, applications, 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 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 Jumpstart our Business Startups Act of 2012 (“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 our Annual Form 20-F for the year ended December 31, 2023, 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 cloud-native software technology company in the healthcare space dedicated to establishing the practice of data-driven medicine as the standard of care and for life sciences research. We purposefully built a cloud-native software 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. We offer a broad range of 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. In 2022, we unveiled SOPHiA CarePath, a new multimodal module on our SOPHiA DDM Platform powered by our artificial intelligence and machine learning algorithms that integrates the capabilities of our genomics and radiomics solutions with additional modalities to further enable clinical decision-making. The module will allow healthcare practitioners to visualize data across multiple modalities (including genomic, radiomic, clinical, and biological) for individual patients in a longitudinal manner and derive additional insights through cohort design and comparison. SOPHiA CarePath has already been deployed as part of our Deep-Lung IV multimodal clinical study on non-small cell lung cancer.

We offer a range of platform access models to meet our customers’ needs. Our primary pricing strategy for our clinical customers is a pay-per-use model, in which customers can access our platform free of charge but pay for each analysis performed using our platform. To commercialize our applications and products, we employ our direct sales force, use local distributors and form collaborations with other global product and service providers in the healthcare ecosystem to assemble solutions to address customer needs. For example, we combine our solution and applications with other products used in the genomic testing process to provide customers integrated products in the testing workflow. As of September 30, 2024, our direct sales team consisted of more than 94 field-based commercial representatives.

Recent Developments

Continued Focus on Strategic Partnerships and Transactions

We are continually developing strategic relationships and engaging in strategic transactions across the healthcare ecosystem with companies who also provide products and services to our customers.

Actions Taken to Re-accelerate Revenue Growth in BioPharma and Clinical Markets

In order to re-accelerate our biopharma and clinical businesses, we have made certain changes to our sales and marketing strategies for the two market segments. For the biopharma market, we have refocused our sales efforts to target smaller, more repeatable business that we can execute in high volume to expedite our sales cycle, and we have restructured the biopharma business by separating our Data and Diagnostics product offerings. For the clinical market, we have reallocated resources from our more established and penetrated markets in EMEA to higher-growth and under-penetrated regions in NORAM and APAC, as well as specific markets in EMEA, such as the U.K., Germany, and the Middle East. We also implemented a more strategic approach towards winning and managing key, high-volume accounts in the clinical market.

Key Operating 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 DDM Platform, as platform revenue comprises the majority of our revenues.

Our Core Genomics 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 solutions of their choice and our SOPHiA DDM Platform and algorithms for variant detection and identification. In the bundle access model, we bundle DNA enrichment solutions 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 DDM Platform collaborators within our clinical network and access their data through our SOPHiA DDM Platform. As used in this section, the term “Core Genomics Customer” refers to any customer who accesses our SOPHiA DDM Platform through the dry lab, bundle, or integrated access models. We exclude from this definition customers who only use Alamut through our SOPHiA DDM Platform.

Platform Analysis Volume

The following table shows platform analysis volume for the three and nine months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
SOPHiA DDM Platform analysis volume*	90,965	78,366	261,429	232,239

*The figures in the table above have been adjusted to exclude analyses conducted during the period but for which chargebacks were issued or other adjustments were made to customers after the period. We do not believe that such adjustments are material to the periods presented.

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 Core Genomics Customers. 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, customer size mix, Alamut license sales, biopharma service revenue and workflow equipment and services revenue, 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 90,965 from 78,366 and 261,429 from 232,239 for the three and nine months ended September 30, 2024 and 2023, representing year-over-year growth of 16% and 13% for the three and nine months ended September 30, 2024, respectively. The increase in volume for both the three and nine months ended September 30, 2024 was attributable to growth in our core platform analysis volume as we saw increased usage from our existing customer base as well as contributions from new customers we brought into routine usage. Regionally, analysis volumes in NORAM and APAC grew faster than the company’s historical average, while analysis volume in EMEA grew in line with the company’s historical average. Volume growth was partially offset by slower year-over-year growth in analysis volume in LATAM, primarily due to the churn of a large customer earlier in the year.

Total Core Genomics Customers

The following table shows the number of existing Core Genomics Customers, as of September 30, 2024 and 2023, new Core Genomics Customers that went into routine usage during the three months ended September 30, 2024 and 2023, and the total number of Core Genomics Customers as of September 30, 2024 and 2023:

	Three months ended September 30,	
	2024	2023
Existing Core Genomics Customers	440	417
New Core Genomics Customers	22	14
Total Core Genomics Customers	462	431

We track the number of our Core Genomics Customers, defined as the number of customers who generated revenue through our usage of our bundle access, dry lab, and integrated access models during the specified time period, as a key measure of our ability to generate recurring revenue from our install base. We further

define our Core Genomics Customers as “Existing,” if the customer had generated revenue prior to the current period presented, or “New,” if the customer first generated revenue in the current period presented.

The analysis excludes customers without any usage of our SOPHiA DDM 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 DDM Platform.

Total Core Genomics Customers increased to 462 as of September 30, 2024 from 431 as of September 30, 2023. The increase is primarily attributable to our continued customer acquisition momentum over the course of the intervening period net of churn.

Net Dollar Retention (NDR)

The following table shows the net dollar retention as of September 30, 2024 and 2023:

	As of September 30,	
	2024	2023
Net dollar retention (NDR)	109 %	127 %

We track net dollar retention for our dry lab, bundle access, and integrated access customers as a measure of our ability to grow the revenue generated from our Core Genomics Customers through our “land and expand” strategy net of revenue churn, which we define as the annualized revenues we estimate to have lost from customers who access our platform through our dry lab access, bundle access and integrated access models and have not generated revenue over the past twelve months in that period based on their average quarterly revenue contributions from point of onboarding as a percentage of total recurring platform revenue. To calculate net dollar retention, we first specify a measurement period consisting of the trailing two-year period from our fiscal period end. Next, we define a measurement cohort consisting of Core Genomics Customers who use our dry lab access, bundle access, and integrated access models from whom we have generated revenues during the first month of the measurement period, which we believe is generally representative of our overall dry lab access, bundle access, and integrated customer base. We then calculate our net dollar retention as the ratio between the U.S. dollar amount of revenue generated from this cohort in the second year of the measurement period and the U.S. dollar amount of revenue generated in the first year. Any customer in the cohort that did not use our platform in the second year are included in the calculation as having contributed zero revenue in the second year.

Net dollar retention decreased to 109% as of September 30, 2024 compared to 127% as of September 30, 2023. The decrease is primarily driven by the challenging performance and customer churn in LATAM and the moderation in growth in revenue in EMEA. The decrease was partially offset by slightly more favorable foreign exchange movements for revenue generated in key transactional currencies other than the U.S. dollar, particularly the euro and the Swiss franc, on average over the trailing 12-month period. Our annualized revenue churn rate was 4%, which is consistent with our prior comparative period and historical average.

Components of Results of Operations

For a discussion of our components of results of operations, see the “Operating and Financial Review and Prospects—Operating Results—Components of Results of Operations” section of our Annual Report on Form 20-F for the year ended December 31, 2023.

Results of Operations

Comparison of the Three Months Ended September 30, 2024 and 2023

The following table summarizes our results of operations:

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Revenue	\$ 15,853	\$ 16,303	\$ (450)	(3)%
Cost of revenue	(5,199)	(5,030)	(169)	3 %
Gross profit	10,654	11,273	(619)	(5)%
Research and development costs	(7,874)	(8,984)	1,110	(12)%
Selling and marketing costs	(7,306)	(6,830)	(476)	7 %
General and administrative costs	(10,880)	(12,749)	1,869	(15)%
Other operating income, net	43	746	(703)	(94)%
Operating loss	(15,363)	(16,544)	1,181	(7)%
Interest income, net	267	1,152	(885)	(77)%
Fair value adjustments on warrant obligations	182	—	182	100 %
Foreign exchange (losses) gains, net	(3,394)	1,867	(5,261)	(282)%
Loss before income taxes	(18,308)	(13,525)	(4,783)	35 %
Income tax expense	(130)	(299)	169	(57)%
Loss for the period	\$ (18,438)	\$ (13,824)	\$ (4,614)	33 %

Revenue

The following table presents revenue by stream:

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
SOPHiA DDM Platform	\$ 15,584	\$ 15,995	\$ (411)	(3)%
Workflow equipment and services	269	308	(39)	(13)%
Total revenue	\$ 15,853	\$ 16,303	\$ (450)	(3)%

Revenue was \$15.9 million for the three months ended September 30, 2024 as compared to \$16.3 million for the three months ended September 30, 2023. This slight decrease was primarily attributable to a decrease in SOPHiA DDM Platform revenue, partially offset by a foreign exchange tailwind of \$0.1 million related to favorable movements in exchange rates between key transactional currencies, particularly the euro and Swiss franc, and our reporting currency, the U.S. dollar. SOPHiA DDM Platform revenue was \$15.6 million for the three months ended September 30, 2024 as compared to \$16.0 million for the three months ended September 30, 2023. This decrease was primarily attributable to a decrease in biopharma revenue driven by customer budget constraints and other macro environment impacts, partially offset by continued clinical revenue growth driven by customer demand and analysis volume. Workflow equipment and services revenue was \$0.3 million for the three months ended September 30, 2024 as compared to \$0.3 million for the three months ended September 30, 2023.

Cost of Revenue

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

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Cost of revenue	\$ (5,199)	\$ (5,030)	\$ (169)	3 %
Gross profit	\$ 10,654	\$ 11,273	\$ (619)	(5)%
Gross margin	67 %	69 %		

Cost of revenue was \$5.2 million for the three months ended September 30, 2024 as compared to \$5.0 million for the three months ended September 30, 2023. Cost of revenue increased slightly by \$0.2 million driven primarily by a \$0.4 million increase in amortization of capitalized developments costs, as newly developed products are commercialized, and a \$0.3 million increase in licenses costs related to expanded usage of select products utilizing external licensed technology, partially offset by a \$0.3 million decrease in computational and hosting-related costs associated with economies of scale and a \$0.1 million decrease in inventory reserve and inventory scrap. The decrease in gross profit margin to 67% for the three months ended September 30, 2024 from 69% for the three months ended September 30, 2023 was primarily driven by lower revenue contribution from our biopharma customers.

Operating Expenses

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

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Research and development costs	\$ (7,874)	\$ (8,984)	\$ 1,110	(12)%
Selling and marketing costs	(7,306)	(6,830)	(476)	7 %
General and administrative costs	(10,880)	(12,749)	1,869	(15)%
Other operating income, net	43	746	(703)	(94)%
Total operating expenses	\$ (26,017)	\$ (27,817)	\$ 1,800	(6)%

Research and Development Costs

Research and development costs were \$7.9 million for the three months ended September 30, 2024 as compared to \$9.0 million for the three months ended September 30, 2023. The decrease was primarily attributable to a \$0.5 million increase in capitalized development costs related to internal and external labor to develop new products, a \$0.5 million decrease in professional fees as we reduce our reliance on outsourced development services, and a \$0.2 million decrease in license costs, partially offset by a \$0.2 million increase in share-based compensation expense.

Selling and Marketing Costs

Selling and marketing costs were \$7.3 million for the three months ended September 30, 2024 as compared to \$6.8 million for the three months ended September 30, 2023. The increase was primarily attributable to a \$0.4 million increase in professional fees to support our sales teams and streamline processes and a \$0.2 million increase in license costs from increased usage of sales specific software applications, partially offset by a \$0.1 million decrease in employee-related expenses, including share-based compensation, due to efficiencies gained after the headcount reduction at the end of fiscal year 2023.

General and Administrative Costs

General and administrative costs were \$10.9 million for three months ended September 30, 2024 as compared to \$12.7 million for the three months ended September 30, 2023. This decrease was primarily attributable to a \$0.9 million decrease in employee-related expenses, including share-based compensation and social charges, associated with our headcount-related action taken at the end of fiscal year 2023, a \$0.3 million decrease in professional fees, as we reduce reliance on external consultants, a \$0.2 million decrease in licenses, as we consolidate and streamline our software platforms, and a \$0.1 million decrease in public company related expenses.

Other Operating Income, Net

Other operating income, net was less than \$0.1 million for the three months ended September 30, 2024 as compared to \$0.7 million for the three months ended September 30, 2023.

Interest Income, net

The following table presents the interest income, net:

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Interest income, net	\$ 267	\$ 1,152	\$ (885)	(77)%

Interest income, net was \$0.3 million for the three months ended September 30, 2024, compared to \$1.2 million for the three months ended September 30, 2023. The decrease was primarily driven by a \$0.4 million decrease in interest income from lower average cash balance in interest earning bank accounts and short-term deposits and an increase of \$0.4 million in interest expense related to the Perceptive Credit Agreement, which did not exist in the third quarter of 2023.

Fair value adjustments on warrant obligations

The following table presents the fair value adjustments on warrant obligations:

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Fair value adjustments on warrant obligations	\$ 182	\$ —	\$ 182	100 %

Fair value adjustments on warrant obligations was \$0.2 million gain for the three months ended September 30, 2024 related to the revaluation of warrants at each reporting period, which is primarily driven by the decrease in our stock price compared to the previous reporting period's closing price. We did not have any fair value adjustments on warrant obligations for the three months ended September 30, 2023 as we had no warrants outstanding in 2023.

Foreign exchange losses, net

The following table presents the foreign exchange losses, net:

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Foreign exchange (losses) gains, net	\$ (3,394)	\$ 1,867	\$ (5,261)	(282)%

Foreign exchange losses, net were \$3.4 million for the three months ended September 30, 2024, compared to foreign exchange gain, net of \$1.9 million for the three months ended September 30, 2023. The increase in foreign exchange losses, net recorded for the three months ended September 30, 2024 is primarily driven by an increase in unrealized foreign exchange losses of \$5.2 million, primarily related to the outstanding intercompany receivable balances held by the Swiss parent entity that have not been settled with other subsidiaries, and an increase of less than \$0.1 million in realized net foreign exchange loss. Unrealized gains and losses do not constitute a cash impact until the related transactions are settled.

Income Tax Expense

The following table presents the income tax expense:

(Amounts in USD thousands, except %)	Three months ended September 30,		Change	
	2024	2023	\$	%
Income tax expense	\$ (130)	\$ (299)	\$ 169	(57)%

Income tax expense was \$0.1 million for the three months ended September 30, 2024 as compared to \$0.3 million for the three months ended September 30, 2023. The decrease in tax expense was primarily attributable to the return to provision calculation.

Comparison of the Nine Months Ended September 30, 2024 and 2023

The following table summarizes our results of operations:

	Nine months ended September 30,		Change	
	2024	2023	\$	%
Revenue	\$ 47,440	\$ 45,323	\$ 2,117	5 %
Cost of revenue	(15,605)	(14,309)	(1,296)	9 %
Gross profit	31,835	31,014	821	3 %
Research and development costs	(25,223)	(27,209)	1,986	(7)%
Selling and marketing costs	(21,515)	(20,457)	(1,058)	5 %
General and administrative costs	(34,288)	(40,032)	5,744	(14)%
Other operating income, net	67	805	(738)	(92)%
Operating loss	(49,124)	(55,879)	6,755	(12)%
Interest income, net	1,475	3,148	(1,673)	(53)%
Fair value adjustments on warrant obligations	266	—	266	100 %
Foreign exchange gains (losses), net	655	(1,711)	2,366	138 %
Loss before income taxes	(46,728)	(54,442)	7,714	(14)%
Income tax expense	(607)	(478)	(129)	27 %
Loss for the period	\$ (47,335)	\$ (54,920)	\$ 7,585	(14)%

Revenue

The following table presents revenue by stream:

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
SOPHiA DDM Platform	\$ 46,302	\$ 44,331	\$ 1,971	4 %
Workflow equipment and services	1,138	992	146	15 %
Total revenue	\$ 47,440	\$ 45,323	\$ 2,117	5 %

Revenue was \$47.4 million for the nine months ended September 30, 2024 as compared to \$45.3 million for the nine months ended September 30, 2023. This increase was primarily attributable to an increase in SOPHiA DDM Platform revenue. SOPHiA DDM Platform revenue was \$46.3 million for the nine months ended September 30, 2024 as compared to \$44.3 million for the nine months ended September 30, 2023. This increase was primarily attributable to new customers onboarded onto our platform and increased usage across our existing customers, partially offset by a decrease in biopharma revenue driven by customer budget constraints and other macro environment impacts. Workflow equipment and services revenue was \$1.1 million for the nine months ended September 30, 2024 as compared to \$1.0 million for the nine months ended September 30, 2023. This slight increase was related to an increase in service revenue from customer setups for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023.

Cost of Revenue

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

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
Cost of revenue	\$ (15,605)	\$ (14,309)	\$ (1,296)	9 %
Gross profit	\$ 31,835	\$ 31,014	\$ 821	3 %
Gross margin	67 %	68 %		

Cost of revenue was \$15.6 million for the nine months ended September 30, 2024 as compared to \$14.3 million for the nine months ended September 30, 2023. This increase was primarily attributable to a \$1.0 million increase in amortization of capitalized development costs, as more developed products are commercialized, a \$0.5 million increase in cost of goods related to the increase in bundle solutions demand from customers, and a \$0.4 million increase in licenses costs related to expanded usage of certain products utilizing licensed technology, partially offset by \$0.6 million in computational and hosting-related costs associated with economies of scale. The slight decrease in gross profit margin to 67% for the nine months ended September 30, 2024 as compared to 68% for the nine months ended September 30, 2023 was primarily driven by lower overall contribution of revenue from biopharmaceutical customer contracts, partially offset by benefits from economies of scale achieved with regards to computational and hosting-related costs.

Operating Expenses

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

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
Research and development costs	\$ (25,223)	\$ (27,209)	\$ 1,986	(7)%
Selling and marketing costs	(21,515)	(20,457)	(1,058)	5 %
General and administrative costs	(34,288)	(40,032)	5,744	(14)%
Other operating income, net	67	805	(738)	(92)%
Total operating expenses	\$ (80,959)	\$ (86,893)	\$ 5,934	(7)%

Research and Development Costs

Research and development costs were \$25.2 million for the nine months ended September 30, 2024 as compared to \$27.2 million for the nine months ended September 30, 2023. The decrease was primarily attributable to a \$1.4 million decrease in professional fees as we reduce our reliance on outsourced development services and a \$1.3 million increase in capitalized development costs related to internal and external labor to develop new products, partially offset by a \$0.6 million increase in share-based compensation expense primarily driven by additional grants in the current fiscal year.

Selling and Marketing Costs

Selling and marketing costs were \$21.5 million for the nine months ended September 30, 2024 as compared to \$20.5 million for the nine months ended September 30, 2023. The increase was primarily attributable to a \$0.5 million increase in employee-related expenses, including share-based compensation, as variable compensation increased in line with revenue growth, and a \$0.6 million increase in marketing expenses to drive additional customer engagement.

General and Administrative Costs

General and administrative costs were \$34.3 million for nine months ended September 30, 2024 as compared to \$40.0 million for the nine months ended September 30, 2023. This decrease was primarily attributable to a \$3.0 million decrease in employee-related expenses, including share-based compensation, associated with our headcount-related action taken at the end of fiscal year 2023, a \$0.7 million reduction in professional fees and a \$1.0 million decrease in public company-related expenses related to our director and officer insurance policy.

Other Operating Income, Net

Other operating income, net was income of less than \$0.1 million for the nine months ended September 30, 2024 as compared to \$0.8 million for the nine months ended September 30, 2023.

Interest Income, net

The following table presents the interest income, net:

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
Interest income, net	\$ 1,475	\$ 3,148	\$ (1,673)	(53)%

Interest income, net was \$1.5 million for the nine months ended September 30, 2024, compared to \$3.1 million for the nine months ended September 30, 2023. The decrease was primarily driven by a \$0.9 million decrease in interest income from lower average cash balance in interest earning bank accounts and short-term deposits and a \$0.8 million increase in interest expense related to the Perceptive Loan Agreement, which did not exist in the third quarter of 2023.

Fair value adjustments on warrant obligations

The following table presents the fair value adjustments on warrant obligations:

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
Fair value adjustments on warrant obligations	\$ 266	\$ —	\$ 266	100 %

Fair value adjustments on warrant obligations was a \$0.3 million gain for the nine months ended September 30, 2024, which is primarily driven by the decrease in our stock price compared to the previous reporting period's closing price. We did not have any fair value adjustments on warrant obligations for the nine months ended September 30, 2023 as we had no warrants outstanding in 2023.

Foreign exchange gains (losses), net

The following table presents the foreign exchange gains (losses), net:

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
Foreign exchange gains (losses), net	\$ 655	\$ (1,711)	\$ 2,366	(138)%

Foreign exchange gains were \$0.7 million for the nine months ended September 30, 2024, compared to foreign exchange losses of \$1.7 million for the nine months ended September 30, 2023. The increase in foreign exchange gains, net recorded for the nine months ended September 30, 2024 was primarily driven by an

increase in unrealized net foreign exchange gain of \$2.2 million, primarily related to the outstanding intercompany receivable balances held by the Swiss parent entity that have not been settled with other subsidiaries; and a decrease of \$0.1 million in realized net foreign exchange losses. Unrealized gains and losses do not constitute a cash impact until the related transactions are settled.

Income Tax Expense

The following table presents the income tax expense:

(Amounts in USD thousands, except %)	Nine months ended September 30,		Change	
	2024	2023	\$	%
Income tax expense	\$ (607)	\$ (478)	\$ (129)	27 %

Income tax expense was \$0.6 million for the nine months ended September 30, 2024 as compared to \$0.5 million for the nine months ended September 30, 2023. The increase in tax expense was primarily attributable to an estimated increase in tax liability in France and, to a lesser extent, Italy.

Liquidity and Capital Resources

Sources of Capital Resources

Our principal sources of liquidity were cash and cash equivalents totaling \$95.8 million and \$123.3 million as of September 30, 2024 and December 31, 2023, respectively, which were held for a variety of growth initiatives and investments in our SOPHiA DDM Platform and related solutions, products and services as well as working capital purposes. Our cash and cash equivalents are comprised of money market funds and bank and short-term deposits with maturities up to three months. Separately, we held no term deposits with maturities between three and twelve months as of September 30, 2024 and December 31, 2023.

On April 23, 2024, we entered into a credit agreement (the "Credit Facility") with Credit Suisse SA for up to CHF0.1 million (\$0.1 million) to be used for cash credits, contingent liabilities, or as margin for OTC derivative transactions. Borrowings under the Credit Facility will bear interest at a rate to be established between us and Credit Suisse SA at the time of each draw down. As of September 30, 2024, we had no borrowings outstanding under the Credit Facility.

On May 2, 2024 (the "closing date"), SOPHiA GENETICS SA and our subsidiary SOPHiA GENETICS, Inc. entered into a credit agreement and guaranty (the "Perceptive Credit Agreement") with Perceptive Credit Holdings IV, LP, as lender and administrative agent, pursuant to which we may borrow up to \$50.0 million principal amount of term loans, including (i) an initial tranche of \$15.0 million principal amount of term loans on the closing date and (ii) up to \$35.0 million principal amount of term loans that we may draw upon on or prior to March 31, 2026, subject to satisfaction of certain customary conditions. The term loans are scheduled to mature on the fifth anniversary of the closing date and accrue interest at Term Secured Overnight Financing Rate ("SOFR") plus 6.25% per annum; provided that upon the occurrence and during the continuation of any event of default, the term loans will accrue interest at Term SOFR plus 9.25% per annum. Term SOFR means the SOFR reference rate that is two business days prior to the first day of the preceding calendar month. We have the right to prepay the term loans at any time subject to applicable prepayment premiums. The Perceptive Credit Agreement also contains certain mandatory prepayment provisions, including prepayments from the proceeds from certain asset sales and casualty events (subject to a right to reinvest such proceeds in assets used in our business within 180 days) and from issuances or incurrences of non-permitted debt, which will also be subject to prepayment premiums. The obligations under the Perceptive Credit Agreement are secured by substantially all of our and certain of our subsidiaries' assets and are guaranteed initially on the closing date by SOPHiA GENETICS SA and SOPHiA GENETICS, Inc. The Perceptive Credit Agreement contains customary covenants, including an affirmative covenant to maintain qualified cash of at least \$3.0 million, an affirmative last twelve months revenue covenant tested on a quarterly basis beginning June 30, 2024, and negative covenants including limitations on indebtedness, liens, fundamental changes, asset sales, investments, dividends and other restricted payments and other matters customarily restricted in such agreements. The Perceptive Credit Agreement also contains customary events of default, including payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy and insolvency proceedings, cross-defaults to certain other agreements, judgments against us and our subsidiaries and change in control, the occurrence of which gives the lenders the right to declare the term loans and all obligations under the Perceptive Credit

Agreement immediately due and payable. We remain in full compliance with all covenants contained in the Perceptive Credit Agreement as of September 30, 2024.

In addition, we issued to Perceptive Credit Holdings IV, LP a warrant certificate (the "Warrant Certificate") representing the right to purchase up to 400,000 ordinary shares at \$4.9992 per share, with the right to purchase 200,000 ordinary shares available immediately and the right to purchase an additional 200,000 ordinary shares to be available upon the drawdown of the second tranche of the term loans. The purchase rights represented by the Warrant Certificate are exercisable after becoming available, on a cash basis, at the option of the holder at any time prior to 5:00 p.m., Eastern time on the tenth anniversary of the applicable date of availability. The Warrant Certificate contains customary anti-dilution adjustments.

In August 2023, we established an at-the-market offering program pursuant to which we may sell, from time to time, ordinary shares having an aggregate offering price of \$50 million. For the three and nine months ended September 30, 2024 and 2023, we did not sell any ordinary shares under this program.

We have funded our operations primarily through equity financing and, to a lesser extent, through debt and revenue generated from the sale of access to our SOPHiA DDM Platform and related licenses and services. 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.

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 DDM Platform in order to accommodate multimodal data analytics capabilities across a wide range of disease areas; selling and marketing efforts for our SOPHiA DDM Platform to establish and maintain relationships with our collaborators and customers; and obtaining regulatory clearances or approvals for our SOPHiA DDM 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 twelve months. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, which are outlined in our Annual Report on Form 20-F for the year ended December 31, 2023 and our subsequent filings with the SEC.

Cash Flows

The following table summarizes our cash flows for nine months ended September 30, 2024 and 2023:

(Amounts in USD thousands)	Nine months ended September 30,	
	2024	2023
Net cash provided from/(used in):		
Operating activities	\$ (32,221)	\$ (37,283)
Investing activities	(6,236)	10,569
Financing activities	12,158	(2,311)
Net decrease in cash and cash equivalents	\$ (26,299)	\$ (29,025)
Effect of exchange differences on cash and cash equivalents	\$ (1,165)	\$ 487

Operating Activities

For the nine months ended September 30, 2024, net cash used in operating activities was \$32.2 million, primarily attributable to our loss before tax for the period of \$46.7 million, which was reflective of our continued

development of new solutions and expansion of market opportunities for our SOPHiA DDM Platform, a \$1.4 million net decrease in working capital, and \$2.3 million of non-cash finance income, partially offset by \$11.4 million of non-cash share-based compensation expense, \$3.4 million of depreciation, and \$2.9 million of amortization.

For the nine months ended September 30, 2023, net cash used in operating activities was \$37.3 million, primarily attributable to our loss before tax for the period of \$54.4 million, which was reflective of our continued development of new solutions and expansion of market opportunities for our SOPHiA DDM Platform, and a \$3.8 million net increase in working capital partially offset by \$11.0 million of non-cash share-based compensation expense, \$4.3 million of depreciation, and \$3.4 million in interest received.

Investing Activities

For the nine months ended September 30, 2024, net cash used in investing activities was \$6.2 million, primarily attributable to \$5.9 million of capitalized software development costs, \$0.2 million of property and equipment purchases, and \$0.2 million of intangible assets acquisitions.

For the nine months ended September 30, 2023, net cash provided from investing activities was \$10.6 million, primarily attributable to the maturity of \$17.5 million of term deposits, partially offset by \$4.6 million of capitalized software development costs and \$1.4 million of property and equipment purchases.

Financing Activities

For the nine months ended September 30, 2024, net cash provided from financing activities was \$12.2 million, primarily attributable to \$15.0 million of proceeds from the Perceptive loan agreement, net of \$1.1 million of transaction costs, and offset by \$2.1 million of rent payments on our office facilities in Rolle, Bidart, and Boston.

For the nine months ended September 30, 2023, net cash used in financing activities was \$2.3 million, primarily attributable to rent payments on our office facilities in Rolle, St. Sulpice, and Boston and partially offset by \$0.2 million in proceeds from the exercise of share options.

Contractual Obligations and Other Commitments

As of September 30, 2024, other than the Perceptive Credit Agreement as described in Note 9 of our unaudited interim condensed consolidated financial statements, there have been no other material changes to our contractual obligations and commitments from those described in the "Operating and Financial Review and Prospects" section of our Annual Report on Form 20-F for the year ended December 31, 2023.

Internal Control over Financial Reporting

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

Off-Balance Sheet Arrangements

We entered into an agreement with Microsoft as of November 1, 2022. As part of the agreement, we have commitments of approximately \$69.4 million in computational and hosting-related costs through October 31, 2027.

Other than the above agreement with Microsoft, we did not have, during the periods presented, and we do not currently have, any off-balance sheet arrangements or commitments that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We had cash and cash equivalents totaling \$95.8 million as of September 30, 2024, which are comprised of cash and short-term deposits with maturities up to three months. We also had no term deposits as of September 30, 2024. 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.

As of September 30, 2024, we currently have \$15.0 million of debt outstanding under the Perceptive Credit Agreement. Based on the terms of the Perceptive Credit Agreement, the monthly interest expense fluctuates based on the SOFR reference rate that is two business days prior to the first day of the preceding calendar month. Given our outstanding debt under this agreement, we are subject to interest rate risk related to debt obligations if the SOFR were to move significantly.

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 the majority 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 "Item 11. Quantitative and Qualitative Disclosures About Market Risk" section of our Annual Report on Form 20-F for the year ended December 31, 2023.

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 8% of accounts receivable as of September 30, 2024, which is attributable to one of our largest distributors. This distributor has a strong payment history and is in good standing with us. 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 believe our business is able to pass along increases in the costs of providing our products and services caused by inflation by increasing the prices of our products and services. For multi-year contracts, our general terms and conditions allow us to increase prices, at minimum on an annual basis. However, 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.

Material Accounting Policies and Critical Estimates and Judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of accounting estimates. It also requires management to exercise judgment 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, term loans, and warrant obligations. 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 material accounting policies and critical estimates that involve a higher degree of judgment and complexity are described in the "Item 5. Operating and Financial Review and Prospects—E. Critical Accounting Estimates" section of our Annual Report on Form 20-F for the year ended December 31, 2023, except for our material accounting policies regarding our term loans.

Accounting policies

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Transaction costs include any incremental costs directly attributable to the issuance of the financial liability, that would otherwise have not been incurred if we did not issue the financial instrument. Borrowings are subsequently measured at amortized cost using the effective interest method. The effective interest method recognizes any difference between the loan proceeds, net of transaction costs, and the redemption amount as interest expense through the statement of profit and loss. Changes in the effective interest rate ("EIR") are updated prospectively based on the most recent interest payment rate at the end of each reporting period. Borrowings are removed from the balance sheet when the obligation is discharged, cancelled or repaid. When the borrowing is removed from the balance sheet, any difference between the carrying amount of the financial liability, and the consideration paid, is recognized in profit or loss as a non-operating income or expense. Borrowings are classified as current liabilities unless the maturity date is greater than 12 months or we have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

There have been no other material changes to our material accounting policies and critical estimates as disclosed therein, with the exception of our adoption of recent accounting pronouncements, as discussed below.

Recent Accounting Pronouncements

In connection with our adoption of IFRS Accounting Standards for the preparation of our financial statements, certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2023 reporting periods 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 2 to the audited condensed consolidated financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2023 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 critical audit matters. 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 \$1.235 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.

SOPHiA GENETICS Reports Third Quarter 2024 Results

Clinical growth reaccelerates with record analysis volume; Cash burn improves 39%

BOSTON, United States and ROLLE, Switzerland, November 5, 2024 — SOPHiA GENETICS (Nasdaq: SOPH), a cloud-native software company and leader in data-driven medicine, today reported financial results for the third quarter ended September 30, 2024.

Third Quarter 2024 Financial Results

- Revenue was \$15.9 million, down 2.8% year-over-year
- Gross margins were 67.2% on a reported basis and 73.1% on an adjusted basis, compared to 69.1% and 72.5% in the prior year period, respectively
- Operating loss was \$15.4 million on a reported basis and \$10.6 million on an adjusted basis, representing year-over-year improvements of 7.1% and 10.4%, respectively
- Cash burn was \$9.6 million, representing a year-over-year improvement of 39.1%
- The company reiterates full-year guidance, including revenue between \$65 million and \$67 million, adjusted gross margin of 72.0% to 72.5%, and adjusted operating loss between \$45 million and \$50 million

"Record analysis volume drove a reacceleration of Clinical growth across most key geographies in Q3, with volume increasing 16% year-over-year, offset by expected softness in BioPharma," said Jurgi Camblong, PhD., Chief Executive Officer and Co-founder. "We also delivered another quarter of strong forward-looking indicators with 20 new customer signings, including major wins in the U.S., the U.K., and Brazil. I am proud of our ability to deliver strong new business momentum, while also excelling at cost management. In Q3, we expanded adjusted gross margins to 73.1% and improved cash burn significantly by 39% year-over-year to \$9.6 million, while also strengthening commercial teams and customer-facing operations."

Camblong added, "Looking ahead, I'm excited by major growth catalysts such as our new Liquid Biopsy application MSK ACCESS[®] powered with SOPHiA DDM[™], which has already attracted an impressive 18 new customers since its launch in Q2. I am also excited by the recent launch of the application's Solid Tumor testing counterpart, MSK-IMPACT[®] powered with SOPHiA DDM[™]. These applications, which enable any institution across the globe to launch best-in-class Liquid Biopsy and Solid Tumor testing, are also igniting strong interest from BioPharma companies who can leverage the decentralized, global network to improve deployment and development of their therapies."

Business Highlights

Expanding usage of SOPHiA DDM[™] worldwide

- Reached 462 core genomics customers as of September 30, 2024, who used SOPHiA DDM[™] over the past 12 months to analyze patients with cancer or rare diseases, up from 431 customers at the end of Q3 2023
- Performed a record 91,000 analyses on SOPHiA DDM[™] in Q3 2024, representing 16% year-over-year analysis volume growth or 17% growth when excluding COVID-related analyses
- Continued executing our land and expand strategy, including major successes in the U.S. and Canada with Tennessee Oncology adopting numerous additional applications in Hereditary Cancer and Solid Tumors in addition to MSK-ACCESS[®] powered with SOPHiA DDM[™] and Trillium Health Partners adopting SOPHiA DDM[™] for HRD in addition to Hereditary Cancer and HemOnc applications

Accelerating adoption of SOPHiA DDM[™] by landing new Clinical customers

- Landed 20 new customers in Q3 2024 who will implement SOPHiA DDM[™] and begin generating revenue over the next twelve months, continuing the positive trend of solid bookings momentum year-to-date
- Signed major new customers across all key geographies including GeneView in the U.S. who is adopting SOPHiA DDM[™] for Rare and Inherited Disorders, the NHS's Birmingham Women's Hospital in the U.K. who is adopting SOPHiA DDM[™] for Hereditary Cancer screening, and Hospital Sírio-Libanês,

one of the most prestigious hospitals in the world based in Brazil, who is adopting MSK-ACCESS® powered with SOPHiA DDM™

Building strong new business momentum with new applications

- Signed a total of 18 new customers to MSK-ACCESS® powered with SOPHiA DDM™ since the Liquid Biopsy application's launch in Q2 2024
- Saw the first cohort of 5 MSK-ACCESS® customers go-live on SOPHiA DDM™ as institutions such as BioReference Health in the U.S., the NHS's Synnovis Services in the U.K., and the world-renowned University of Heidelberg in Germany recently completed implementation; These institutions will ramp up their usage in Q4 2024 and into 2025
- Launched MSK-IMPACT® powered with SOPHiA DDM™, the 505-gene Solid Tumor Comprehensive Genomic Profiling counterpart to MSK-ACCESS®, in October 2024
- Continued to drive significant demand for MSK-ACCESS® and MSK-IMPACT® powered with SOPHiA DDM™ as pipeline of ongoing discussions reached more than 50 opportunities

Growing sustainably by maintaining an obsession with operational excellence

- Remained laser-focused on operational excellence and improved cash burn by 39.1% year-over-year to \$9.6 million, while also strengthening commercial teams and customer-facing operations
- Expanded adjusted gross margin by 61bps year-over-year to 73.1% as we continue to optimize compute costs and leverage the scale of the cloud-native SOPHiA DDM™ platform
- Improved adjusted operating loss by 10.4% year-over-year in Q3 2024 through continuous improvement initiatives
- Reaffirmed commitment to achieve adjusted operating profitability within the next 2 years; Current cash and existing capital resources are expected to be sufficient to reach adjusted operating profitability

2024 Financial Outlook

Based on information as of today, SOPHiA GENETICS is reaffirming our previously provided guidance of:

- Full-year revenue between \$65 million and \$67 million, representing growth of 4% to 7% compared to FY 2023
- Adjusted gross margin between 72.0% to 72.5%, compared to 72.2% in FY 2023
- Adjusted operating loss guidance between \$45 million and \$50 million, compared to \$55.9 million in FY 2023

Earnings Call and Webcast Information

SOPHiA GENETICS will host a conference call and live webcast to discuss the third quarter 2024 results on Tuesday, November 5, 2024, at 8:00 a.m. (08:00) Eastern Time / 2:00 p.m. (14:00) Central European Time. The call will be webcast live on the SOPHiA GENETICS Investor Relations website, ir.sophiagenetics.com. Additionally, an audio replay of the conference call will be available on the SOPHiA GENETICS website after its completion.

Non-IFRS Financial Measures

Other than with respect to revenue, the Company only provides guidance on a non-IFRS basis. The Company does not provide a reconciliation of forward-looking adjusted gross margin (non-IFRS measure) to gross margin (the most comparable IFRS financial measure), due to the inherent difficulty in forecasting and quantifying amortization of capitalized research & development expenses that are necessary for such reconciliation. In addition, the Company does not provide a reconciliation of forward-looking adjusted operating loss (non-IFRS measure) to operating loss (the most comparable IFRS financial measure), due to the inherent difficulty in forecasting and quantifying amortization of capitalized research & development expenses and intangible assets, share-based compensation expenses, and non-cash portion of pensions paid in excess of actual contributions, that are necessary for such reconciliation.

To provide investors with additional information regarding the company's financial results, SOPHiA GENETICS has disclosed here and elsewhere in this earnings release the following non-IFRS measures:

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

- Adjusted operating loss, which the company calculates as operating loss adjusted to exclude amortization of capitalized research and development expenses, amortization of intangible assets, share-based compensation expense, and non-cash portion of pensions expense paid in excess of actual contributions to match the actuarial expense.

These non-IFRS measures are key measures used by SOPHiA GENETICS management and board of directors to evaluate its 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, the company believes that these non-IFRS measures provide useful information to investors and others in understanding and evaluating its operating results in the same manner as its 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 SOPHiA GENETICS' 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 the company's business and an important part of its 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 the business; and
- Other companies, including companies in the company's 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 other IFRS results.

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

Presentation of Constant Currency Revenue and Excluding COVID-19-Related Revenue

SOPHiA GENETICS operates internationally, and its revenues are generated primarily in the U.S. dollar, the euro and Swiss franc and, to a lesser extent, British pound, Australian dollar, Brazilian real, Turkish lira and Canadian dollar depending on the company's customers' geographic locations. Changes in revenue include the impact of changes in foreign currency exchange rates. We present the non-IFRS financial measure "constant currency revenue" (or similar terms such as constant currency revenue growth) to show changes in revenue without giving effect to period-to-period currency fluctuations. Under IFRS, revenues received in local (non-U.S. dollar) currencies are translated into U.S. dollars at the average monthly exchange rate for the month in which the transaction occurred. When the company uses the term "constant currency", it means that it has translated local currency revenues for the current reporting period into U.S. dollars using the same average foreign currency exchange rates for the conversion of revenues into U.S. dollars that we used to translate local currency revenues for the comparable reporting period of the prior year. The company then calculates the difference between the IFRS revenue and the constant currency revenue to yield the "constant currency impact" for the current period.

The company's management and board of directors use constant currency revenue growth to evaluate growth and generate future operating plans. The exclusion of the impact of exchange rate fluctuations provides comparability across reporting periods and reflects the effects of customer acquisition efforts and land-and-expand strategy. Accordingly, it believes that this non-IFRS measure provides useful information to investors and others in understanding and evaluating revenue growth in the same manner as the management and board of directors. However, this non-IFRS measure has limitations, particularly as the exchange rate effects that are

eliminated could constitute a significant element of its revenue and could significantly impact performance and prospects. Because of these limitations, you should consider this non-IFRS measure alongside other financial performance measures, including revenue and revenue growth presented in accordance with IFRS and other IFRS results.

In addition to constant currency revenue, the company presents constant currency revenue excluding COVID-19-related revenue to further remove the effects of revenues that are derived from sales of COVID-19-related offerings, including a NGS assay for COVID-19 that leverages the SOPHiA DDM™ Platform and related products and solutions analytical capabilities and COVID-19 bundled access products. SOPHiA GENETICS do not believe that these revenues reflect its core business of commercializing its platform because the company's COVID-19 solution was offered to address specific market demand by its customers for analytical capabilities to assist with their testing operations. The company does not anticipate additional development of its COVID-19-related solution as the pandemic transitions into a more endemic phase and as customer demand continues to decline. Further, COVID-19-related revenues did not constitute, and the company does not expect COVID-19-related revenues to constitute in the future, a significant part of its revenue. Accordingly, the company believes that this non-IFRS measure provides useful information to investors and others in understanding and evaluating its revenue growth. However, this non-IFRS measure has limitations, including that COVID-19-related revenues contributed to the company's cash position, and other companies may define COVID-19-related revenues differently. Because of these limitations, you should consider this non-IFRS measure alongside other financial performance measures, including revenue and revenue growth presented in accordance with IFRS and other IFRS results.

The table below provides the reconciliation of the most comparable IFRS growth measures to the non-IFRS growth measures for the current period.

About SOPHiA GENETICS

SOPHiA GENETICS (Nasdaq: SOPH) is a cloud-native healthcare technology company on a mission to expand access to data-driven medicine by using AI to deliver world-class care to patients with cancer and rare disorders across the globe. It is the creator of SOPHiA DDM™, a platform that analyzes complex genomic and multimodal data and generates real-time, actionable insights for a broad global network of hospital, laboratory, and biopharma institutions. For more information, visit SOPHiAGENETICS.COM and connect with us on LinkedIn.

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 SOPHiA GENETICS future results of operations and financial position, business strategy, products and technology, partnerships and collaborations, as well as plans and objectives of management for future operations, are forward-looking statements. Forward-looking statements are based on SOPHiA GENETICS' management's beliefs and assumptions and on information currently available to the company's 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 the company's 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 press release speak only as of its date. We expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in the company's 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.

Investor Contact:

Kellen Sanger
IR@sophiagenetics.com

Media Contact:

Kelly Katapodis
media@sophiagenetics.com

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 15,853	\$ 16,303	\$ 47,440	\$ 45,323
Cost of revenue	(5,199)	(5,030)	(15,605)	(14,309)
Gross profit	10,654	11,273	31,835	31,014
Research and development costs	(7,874)	(8,984)	(25,223)	(27,209)
Selling and marketing costs	(7,306)	(6,830)	(21,515)	(20,457)
General and administrative costs	(10,880)	(12,749)	(34,288)	(40,032)
Other operating income, net	43	746	67	805
Operating loss	(15,363)	(16,544)	(49,124)	(55,879)
Interest income, net	267	1,152	1,475	3,148
Fair value adjustments on warrant obligations	182	—	266	—
Foreign exchange (losses) gains, net	(3,394)	1,867	655	(1,711)
Loss before income taxes	(18,308)	(13,525)	(46,728)	(54,442)
Income tax expense	(130)	(299)	(607)	(478)
Loss for the period	(18,438)	(13,824)	(47,335)	(54,920)
Attributable to the owners of the parent	(18,438)	(13,824)	(47,335)	(54,920)
Basic and diluted loss per share	\$ (0.28)	\$ (0.21)	\$ (0.72)	\$ (0.85)

SOPHiA GENETICS SA
Interim Condensed Consolidated Statements of Comprehensive Loss
(Amounts in USD thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Loss for the period	\$ (18,438)	\$ (13,824)	\$ (47,335)	\$ (54,920)
Other comprehensive (loss) income:				
<i>Items that may be reclassified to statement of loss (net of tax)</i>				
Currency translation adjustments	6,990	(3,382)	(2,149)	2,269
Total items that may be reclassified to statement of loss	6,990	(3,382)	(2,149)	2,269
<i>Items that will not be reclassified to statement of loss (net of tax)</i>				
Remeasurement of defined benefit plans	(173)	13	(231)	(283)
Total items that will not be reclassified to statement of loss	(173)	13	(231)	(283)
Other comprehensive (loss) income for the period	\$ 6,817	\$ (3,369)	\$ (2,380)	\$ 1,986
Total comprehensive loss for the period	\$ (11,621)	\$ (17,193)	\$ (49,715)	\$ (52,934)
Attributable to owners of the parent	\$ (11,621)	\$ (17,193)	\$ (49,715)	\$ (52,934)

SOPHiA GENETICS SA
Interim Condensed Consolidated Balance Sheets
(Amounts in USD thousands)
(Unaudited)

	September 30, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 95,787	\$ 123,251
Accounts receivable	9,762	13,557
Inventory	6,477	6,482
Prepays and other current assets	5,178	4,757
Total current assets	117,204	148,047
Non-current assets		
Property and equipment	6,018	7,469
Intangible assets	30,354	27,185
Right-of-use assets	15,768	15,635
Deferred tax assets	1,826	1,720
Other non-current assets	6,438	6,100
Total non-current assets	60,404	58,109
Total assets	\$ 177,608	\$ 206,156
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 5,869	\$ 5,391
Accrued expenses	13,818	17,808
Deferred contract revenue	8,150	9,494
Lease liabilities, current portion	2,477	2,928
Warrant obligations	546	—
Total current liabilities	30,860	35,621
Non-current liabilities		
Borrowings	13,162	—
Lease liabilities, net of current portion	16,034	15,673
Defined benefit pension liabilities	3,603	3,086
Other non-current liabilities	442	334
Total non-current liabilities	33,241	19,093
Total liabilities	64,101	54,714
Equity		
Share capital	4,188	4,048
Share premium	472,211	471,846
Treasury share	(719)	(646)
Other reserves	62,946	53,978
Accumulated deficit	(425,119)	(377,784)
Total equity	113,507	151,442
Total liabilities and equity	\$ 177,608	\$ 206,156

SOPHiA GENETICS SA
Interim Condensed Consolidated Statements of Cash Flows
(Amounts in USD thousands)
(Unaudited)

	Nine months ended September 30,	
	2024	2023
Operating activities		
Loss before tax	\$ (46,728)	\$ (54,442)
Adjustments for non-monetary items		
Depreciation	3,439	4,339
Amortization	2,870	2,016
Finance (income) expense, net	(2,333)	1,641
Fair value adjustments on warrant obligations	(266)	—
Expected credit loss allowance	(252)	54
Share-based compensation	11,410	11,036
Movements in provisions and pensions	246	764
Research tax credit	(460)	(785)
Loss on disposal of property and equipment	—	28
Gain on disposal of lease liability	—	(730)
Working capital changes		
Decrease (Increase) in accounts receivable	3,813	(2,880)
Increase in prepaids and other assets	(420)	(2,869)
Decrease (Increase) in inventory	48	(328)
(Decrease) Increase in accounts payables, accrued expenses, deferred contract revenue, and other liabilities	(4,822)	2,284
Cash used in operating activities	(33,455)	(39,872)
Income tax paid	(374)	(759)
Interest paid	(1,133)	(6)
Interest received	2,741	3,354
Net cash flows used in operating activities	(32,221)	(37,283)
Investing activities		
Purchase of property and equipment	(187)	(1,369)
Acquisition of intangible assets	(195)	(1,033)
Capitalized development costs	(5,854)	(4,575)
Proceeds upon maturity of term deposits	—	17,546
Net cash flow (used in) provided from investing activities	(6,236)	10,569
Financing activities		
Proceeds from exercise of share options	370	207
Proceeds from borrowings, net of transaction costs	13,930	—
Payments of principal portion of lease liabilities	(2,142)	(2,518)
Net cash flow provided from (used in) financing activities	12,158	(2,311)
Decrease in cash and cash equivalents	(26,299)	(29,025)
Effect of exchange differences on cash balances	(1,165)	487
Cash and cash equivalents at beginning of the year	123,251	161,305
Cash and cash equivalents at end of the period	\$ 95,787	\$ 132,767

SOPHiA GENETICS SA
Reconciliation of IFRS Revenue Growth to Constant Currency Revenue Growth
and Constant Currency Revenue Growth Excluding COVID-19-Related Revenue
(Amounts in USD thousands, except for %)
(Unaudited)

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Growth	2024	2023	Growth
IFRS revenue	\$ 15,853	\$ 16,303	(3) %	\$ 47,440	\$ 45,323	5 %
Current period constant currency impact	(58)	—		(63)	—	
Constant currency revenue	\$ 15,795	\$ 16,303	(3) %	\$ 47,377	\$ 45,323	5 %
COVID-19-related revenue	(4)	(16)		(43)	(213)	
Constant currency impact on COVID-19-related revenue	—	—		2	—	
Constant currency revenue excluding COVID-19-related revenue	\$ 15,791	\$ 16,287	(3) %	\$ 47,336	\$ 45,110	5 %

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 15,853	\$ 16,303	\$ 47,440	\$ 45,323
Cost of revenue	(5,199)	(5,030)	(15,605)	(14,309)
Gross profit	\$ 10,654	\$ 11,273	\$ 31,835	\$ 31,014
Amortization of capitalized research and development expenses ⁽¹⁾	942	552	2,463	1,480
Adjusted gross profit	\$ 11,596	\$ 11,825	\$ 34,298	\$ 32,494
Gross profit margin	67.2 %	69.1 %	67.1 %	68.4 %
Amortization of capitalized research and development expenses ⁽¹⁾	5.9 %	3.4 %	5.2 %	3.3 %
Adjusted gross profit margin	73.1 %	72.5 %	72.3 %	71.7 %

SOPHiA GENETICS SA
Reconciliation of IFRS to Adjusted Operating Loss for the Period
(Amounts in USD thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Operating loss	\$ (15,363)	\$ (16,544)	\$ (49,124)	\$ (55,879)
Amortization of capitalized research & development expenses ⁽¹⁾	942	552	2,463	1,480
Amortization of intangible assets ⁽²⁾	119	184	407	536
Share-based compensation expense ⁽³⁾	3,613	3,930	11,410	11,036
Non-cash pension expense ⁽⁴⁾	106	69	279	231
Adjusted operating loss	\$ (10,583)	\$ (11,809)	\$ (34,565)	\$ (42,596)

SOPHiA GENETICS SA
Reconciliation of IFRS to Adjusted Operating Loss
for the fourth quarter and fiscal year 2023
(Amounts in USD thousands)
(Unaudited)

	Year ended December 31, 2023
Operating loss	\$ (74,826)
Amortization of capitalized research & development expenses ⁽¹⁾	2,099
Amortization of intangible assets ⁽²⁾	729
Share-based compensation expense ⁽³⁾	15,247
Non-cash pension expense ⁽⁴⁾	(394)
Costs associated with restructuring ⁽⁵⁾	1,232
Adjusted operating loss	\$ (55,913)

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 remains a recurring expense for our business as we continue to make contributions to our plans for the foreseeable future.
- (5) Costs associated with restructuring consists of compensation paid to employees during their garden leave period, severance, and any other amounts legally owed to the employees resulting from their termination as part of a planned workforce reduction, which we undertook to optimize our operations. Additionally, it includes any legal fees incurred as part of the restructuring process. While such actions are not planned going forward as part of our regular operations, we expect such expenses could still be incurred from time to time based on corporate needs.