SOPHiA GENETICS SA
(Exact Name of Registrant as Specified in Its Charter)

Not Applicable
(Translation of Registrant's name into English)

Switzerland
(State or Other Jurisdiction of Incorporation or Organization)

2835
(Primary Standard Industrial Classification Code Number)

Not Applicable
(I.R.S. Employer Identification Number)

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CH-1025 Saint-Sulpice
Switzerland
+41 21 694 10 60
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933. Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Title of each class of securities to be registered</th>
<th>Proposed maximum aggregate offering price(1)(2)</th>
<th>Amount of Registration Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares, par value CHF 0.05 per share</td>
<td>$ 100,000,000.00</td>
<td>$ 10,910.00</td>
</tr>
</tbody>
</table>

(1) Includes ordinary shares granted pursuant to the underwriters’ option to purchase additional ordinary shares.

(2) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.
The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated , 2021

Preliminary prospectus

SOPHiA GENETICS TM

SOPHiA GENETICS SA

Ordinary Shares

This is an initial public offering of ordinary shares by SOPHiA GENETICS SA. We are offering ordinary shares. The initial public offering price is expected to be between $ and $ per ordinary share.

Prior to this offering, there has been no public market for our ordinary shares. We have applied to list our ordinary shares on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “SOPH.”

We are an “emerging growth company” as defined under U.S. federal securities laws and, as such, may elect to comply with reduced public company reporting requirements for this and future filings. See “Prospectus Summary—Implications of Being an Emerging Growth Company.”

<table>
<thead>
<tr>
<th>Per Share</th>
<th>Total</th>
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<tbody>
<tr>
<td>Initial public offering price</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions(1)</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds to SOPHiA GENETICS SA, before expenses</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) See “Underwriting” for a description of all compensation payable to the underwriters.

Investing in our ordinary shares involves a high degree of risk. See “Risk Factors” beginning on page 16 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares to purchasers on or about , 2021.

J.P. Morgan Morgan Stanley Cowen Credit Suisse
We are organized under the laws of Switzerland and our registered office and domicile is located in Saint-Sulpice, Canton of Vaud, Switzerland. Moreover, a number of our directors and executive officers are not residents of the United States and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or upon such persons or to enforce against them judgments obtained in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our Swiss counsel that there is doubt as to the enforceability in Switzerland of original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities to the extent solely predicated upon the federal and state securities laws of the United States. See “Enforcement of Judgments” for additional information.
Unless otherwise indicated or the context otherwise requires, all references in this prospectus to “SOPHiA GENETICS,” “SOPH,” the “Company,” “we,” “our,” “ours,” “us” or similar terms refer to SOPHiA GENETICS SA and its consolidated subsidiaries.

We own various trademark registrations and applications, and unregistered trademarks, including for “SOPHiA GENETICS,” “SOPHiA DDM,” “Alamut,” “SOPHiA Trial Match,” “SOPHiA Insights,” “SOPHiA CDx,” “SOPHiA Awareness” and our corporate logo. All other trade names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the® and™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies’ trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Our consolidated financial statements are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). None of the consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). The terms “dollar,” “USD” and “$” refer to U.S. dollars and the terms “Swiss franc” and “CHF” refer to the legal currency of Switzerland, unless otherwise indicated. We have made rounding adjustments to some of the figures included in this prospectus. Accordingly, any numerical discrepancies in any table between totals and sums of the amounts listed are due to rounding.

The financial information should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements.

Our fiscal year ends on December 31. References in this prospectus to a fiscal year relate to our fiscal year ended on December 31 of that calendar year.

We and the underwriters have not authorized anyone to provide any information or to make any representations other than as contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we may have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

Neither we nor the underwriters are making an offer to sell the ordinary shares in any jurisdiction where the offer or sale is not permitted. This offering is being made in the United States and elsewhere solely on the basis of the information contained in this prospectus. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of the ordinary shares. Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit this offering or the possession or distribution of this prospectus in any jurisdiction where action for those purposes is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, this offering of ordinary shares and the distribution of this prospectus outside the United States.
We are incorporated as a Swiss stock corporation (société anonyme) under the laws of Switzerland and a majority of our outstanding securities are owned by non-U.S. residents. Under the rules of the U.S. Securities and Exchange Commission (the “SEC”), we are currently eligible for treatment as a “foreign private issuer.” As a foreign private issuer, we will not be required to file periodic reports and financial statements with the SEC as frequently or as promptly as domestic registrants whose securities are registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

iii
Prospectus summary

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all the information that may be important to you, and we urge you to read this entire prospectus carefully, including the “Risk Factors,” “Business” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” sections and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus, before deciding to invest in our ordinary shares.

Our Mission

SOPHiA GENETICS was founded to generate clinically actionable insights from data to improve patient outcomes. Our mission is to provide equal access to knowledge and capabilities by democratizing data-driven medicine.

We observed that across the healthcare ecosystem, a vast amount of digital healthcare data was being generated, fueled by technologies such as next-generation sequencing ("NGS"), and which held promise to accelerate the understanding of biology and disease. However, this data has been generated primarily using non-standardized methods and by clinicians and researchers across many healthcare institutions. As a result, the data remained siloed and complex and was not fully leveraged for the benefit of patients.

We founded SOPHiA GENETICS to change this. We are unlocking data siloes, leveraging artificial intelligence ("AI") to generate actionable insights from data and helping healthcare professionals work together as a community and deploy their collective expertise for the benefit of patients around the world.

We refer to data-driven medicine as the practice of drawing insights from complex data sets to improve diagnosis, treatment and drug development. Using data-driven medicine, healthcare professionals supplement their own experience and intuition with data insights and shared knowledge from their peers to inform the best course of action for their patients or research. Our goal is to empower clinicians and researchers around the world to practice data-driven medicine and improve clinical and scientific outcomes.

Overview

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

In 2014, we launched the first application of our platform to analyze NGS data for cancer diagnosis. As of March 31, 2021, we had approximately 240 applications used by healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies for precision medicine across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. In 2019, we launched our
solution for radiomics data that enables longitudinal monitoring of cancer patients and tumor progression throughout their disease journey. Today, we believe that our SOPHIA platform, commercialized under the name “SOPHIA DDM,” is one of the most widely used decentralized analytics platform globally for clinical genomics. As of March 31, 2021, we served more than 750 hospital, laboratory and biopharma customers globally through our SOPHIA platform and related solutions, products and services, and our SOPHIA platform has supported the analysis of more than 700,000 genomic profiles and has been utilized in clinical trials and research projects discussed in more than 200 peer-reviewed publications. As of March 31, 2021, we had 348 recurring SOPHIA platform customers (defined as the number of customers who generated revenue during the specified time period, which, in this case, is the twelve months ended March 31, 2021). We commercialize our SOPHIA platform and related solutions, products and services as Research Use Only (“RUO”) and Conformité Européenne (“CE”) in vitro device (“IVD”) products. In the United States, our products are labeled and sold for research use only and not for the diagnosis or treatment of disease. Because such products are not intended for use in clinical practice and diagnostics and cannot make clinical or diagnostic claims, the U.S. Food and Drug Administration (the “FDA”) regulations require that RUO products be labeled “For Research Use Only. Not for use in diagnostic procedures.” In the European Union (the “EU”), we have self-certified our products without the intervention of a notified body in order to affix the CE marking.

Data-driven medicine has become possible through technological breakthroughs, like NGS, that have driven creation of digital healthcare data and an accelerated understanding of biology and disease. While genomics has played a large role in these advances, emerging technologies such as radiomics, digital pathology and proteomics are creating new data sets that add phenotypic context to genomic information. Additionally, the adoption of electronic health records (“EHRs”) has enabled the matching of clinical outcome data to these data sets. The digital format of these data sets makes them ideal candidates for data exploration, analysis and interpretation by advanced algorithmic computing solutions. We believe that analytics approaches have traditionally primarily focused on analyzing data from a single modality and not on combining structured data from multiple modalities. Although some institutions and laboratories have created service-based business models designed to capture multimodal data, these approaches are typically centralized at a single institution, which we believe limits their ability to scale globally.

With our SOPHIA platform, we have the potential to serve and collaborate with all types of institutions in the global life sciences ecosystem, including healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies. Our platform is built on a decentralized model in which we push data analytics solutions to our customers’ sites, rather than a centralized model that requires samples to be sent to a central location. Our customers therefore generally perform testing on their own samples, retain custody of both their sample and data, and use our SOPHIA platform to analyze the pseudonymized data and share insights with other sites in our network. Through this process, we create and grow a global collective intelligence. Our platform is designed to improve as we analyze more data over time, leveraging AI and then sharing the benefits of this growing collective intelligence with our customers.

We believe that our strategic positioning as a universal healthcare analytics platform for multimodal data analytics offers us a broad range of product and service expansion opportunities and significant long-term growth in our total addressable market opportunity. We estimate the total addressable market opportunities in 2020 for our current commercial clinical applications and for our current biopharma applications were approximately $21 billion and $14 billion, respectively.

We offer a range of platform access models to meet our customers’ needs. Our primary pricing strategy 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 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 with other products used in the genomic testing process to provide customers integrated products in the testing workflow. As of March 31, 2021, our direct sales team consisted of more than 70 field-based commercial representatives and we had a presence in 70 countries, including 9 countries in which we offer our SOPHiA platform and related solutions, products and services through distributors.

Our SOPHiA Platform

Our SOPHiA platform is a global, cloud-based SaaS platform that we began building in 2011. It is powered by our SOPHiA AI that standardizes, computes and analyzes digital health data, generating insights from complex multimodal data sets that have the potential to improve diagnosis, therapy selection and drug development. Our customers generally perform testing on their own samples, retain custody of both their sample and data, and use our SOPHiA platform to analyze the pseudonymized data and share insights with each other. Through this process, we create and grow a collective intelligence. We offer multiple different platform access models that enable customers to choose how they want to use our platform and customer network. These range from models in which customers produce their own data independently through their own testing operations to those in which customers produce the data through testing operations provided by our network of customer institutions. In all cases, customers access their data and our analytics through our SOPHiA platform. Our platform is designed to continually improve as we analyze more data over time, leveraging AI and then sharing the benefits of this growing collective intelligence with our customers. The following figure shows how our SOPHiA platform functions within the healthcare ecosystem.

We believe that our SOPHiA platform addresses key challenges to the adoption and democratization of data-driven medicine by:

- **Enabling data harmonization and standardization across the healthcare ecosystem.** The accuracy of our pattern-recognition, AI and machine learning (“AI/ML”)-based algorithms enables our platform to separate the signal from the noise and standardize data at high-quality levels.
• **Breaking down data silos.** We empower our customers to practice data-driven medicine through a decentralized model and support clinicians, laboratories and researchers across the healthcare ecosystem to improve clinical and scientific outcomes.

• **Empowering clinicians and researchers to collaborate with peers from different sites or different fields.** Our customers use our platform to share insights with each other across sites in our network. Our platform is designed to improve as we analyze more data over time, leveraging AI and then sharing the benefits of this growing collective intelligence with our customers.

• **Offering a highly scalable platform.** We designed our cloud-based SaaS platform to be capable of scaling globally and to use AI to leverage the data that this scale provides.

• **Generating insights from complex multimodal data sets.** We believe our platform is uniquely positioned to combine high-quality data at the patient level to generate multimodal insights, leveraging the power of advanced AI/ML models.

### Applications of Our Platform

We currently have commercial applications targeting both clinical and biopharma markets. We serve our clinical market customers through two offerings of our SOPHiA platform. Our first offering is our SOPHiA DDM platform for clinical genomics, which as of March 31, 2021 spanned approximately 240 unique applications that we market for analyzing genomic data across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. Our SOPHiA DDM platform empowers customers to build their own precision medicine operations, including testing, and then use our platform to generate insights from their data. Our second offering is our Alamut suite of genomics mutation interpretation software, which is connected to our SOPHiA DDM platform and gives our customers advanced analytics capabilities for a deeper and more informed genomic data interpretation.

Approximately 70% of our revenue from clinical customers in the year ended December 31, 2020 was attributable to oncology applications, while approximately 30% was attributable to other disease areas such as rare diseases, neurology and metabolism, with applications ranging from targeted gene panels to whole-exome solutions. As of March 31, 2021, our portfolio of clinical genomics solutions included four CE-IVD NGS solutions and more than 235 RUO NGS solutions. In the future, we intend to pursue IVD status and FDA approval for specific solutions. We also intend to support external collaborators in deploying their own IVD or FDA-approved solutions on our SOPHiA platform.

We serve our biopharma customers by leveraging the capabilities of our SOPHiA platform to help customers solve bottlenecks across the biopharma value chain, including throughout discovery, clinical development and commercialization stages. We currently have four applications for biopharma customers: SOPHiA Insights for generating insights pre- and post-approval of a drug based on our own proprietary SOPHiA platform data sets or on the biopharma customers’ own data sets; SOPHiA Trial Match for clinical trial recruitment of biomarker-defined patient populations; SOPHiA CDx for companion diagnostics development and deployment in our decentralized network of customer institutions; and SOPHiA Awareness for providing real-world insights into NGS testing to inform market-shaping and commercialization strategies. We launched our initial applications for the biopharma market in 2019.
The following figure shows our applications that we currently commercialize across both clinical and biopharma markets.

**Our SOPHiA Platform’s Applications Currently in Market**

<table>
<thead>
<tr>
<th>Clinical Applications</th>
<th>Biopharma Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOPHiA DMC</strong></td>
<td><strong>SOPHiA Trial Match</strong></td>
</tr>
<tr>
<td>Approximately 240 applications for analyzing genomic data, empowering customers to build their own precision medicine operations.</td>
<td>Maximize “molecular skew” in our SOPHiA platform to accelerate biomarker-defined patient enrollment into clinical trials.</td>
</tr>
<tr>
<td><strong>AlaMat</strong></td>
<td><strong>SOPHiA Insights</strong></td>
</tr>
<tr>
<td>Stand-alone genomics analysis software that allows customers deeper and more informed genomic data interpretation.</td>
<td>Leverage our SOPHiA platform dataset and multimedia analytics capabilities to generate insights pre-and post-approval of a drug.</td>
</tr>
<tr>
<td><strong>SOPHiA CDx</strong></td>
<td><strong>SOPHiA CDx</strong></td>
</tr>
<tr>
<td>Leverage SOPHiA CDx capabilities to develop variant detection and identification algorithms to support companion diagnostics programs.</td>
<td>Leverage SOPHiA CDx capabilities to develop variant detection and identification algorithms to support companion diagnostics programs.</td>
</tr>
<tr>
<td><strong>SOPHiA Awareness</strong></td>
<td><strong>SOPHiA Awareness</strong></td>
</tr>
<tr>
<td>Provide real-world insights on NGS testing to support biopharma customers’ market-shaping and commercial strategies.</td>
<td>Provide real-world insights on NGS testing to support biopharma customers’ market-shaping and commercial strategies.</td>
</tr>
</tbody>
</table>

**ONCOLOGY • RARE DISEASES • CARDIOLOGY • NEUROLOGY • METABOLISM**

**Benefits to Customers**

Our platform has the potential to offer the following benefits for customers, empowering them to adopt data-driven medicine to improve clinical and scientific outcomes:

- **Accuracy.** Our platform design and data analytics capabilities provide high accuracy analytics for our customers, who have access to high quality, standardized data through our SOPHiA platform.

- **Turnaround time.** We empower our customers to generate data themselves locally, which avoids delays associated with shipment, logistics and processing of samples through an external collaborator. We therefore significantly reduce the turnaround time, which is a critical factor in driving toward timely diagnosis and treatment of disease.

- **Cost-control through increased efficiency.** Customers can compute, detect and annotate any type of genomic alterations through our SOPHiA platform without the need for specific orthogonal assays, thus reducing additional testing costs.

- **Maintenance and development of in-house expertise.** By empowering our customers to retain ownership and access to their biological samples and data, we enable them to build in-house expertise while benefitting from world-class analytics accuracy through our SOPHiA platform’s network effects.

- **Accelerated launch of new precision medicine applications.** The universal nature of our SOPHiA platform facilitates adding new applications to the same workflow once an institution adopts our platform. Our customers can avoid having to set up parallel and sometimes redundant workflows for different assays and technologies.
Markets

We estimate that our clinical and biopharma applications targeted a $35 billion global total addressable market opportunity in 2020, $14 billion of which was in the United States. These estimates are primarily based on epidemiological data, including incidence and prevalence estimates of addressable populations for each application, as well as a range of price assumptions for our products taking into account differences in panel sizes. Further, these estimates do not depend on obtaining regulatory clearances or approvals to market our products as IVD products for diagnostic use in the United States. Over time, we believe that our platform and insights enable market opportunity expansion through new applications and product development. The following figure shows our estimated total addressable market in 2020.

Our Total Addressable Market

We believe that our strategic positioning as a healthcare data analytics platform will enable other business opportunities to become available in the future, in, for example, global public health solutions.

Our Platform’s Advantages

We believe our SOPHIA platform has several advantages over alternative genomics analytics platforms as well as other business models aimed at providing data-driven medicine. These advantages include:

- **Unique Value Proposition as a Genomics Analytics Platform.** Our SOPHIA platform enables highly sensitive and specific testing and rapid turnaround time, enabling customers to compute, detect and annotate genomic alterations with high confidence. Our platform and its many applications also allow customers to rapidly build and scale precision medicine operations with different applications.

- **Broad and Growing Multimodal Application Offering.** The breadth of our applications and multimodal capabilities enables our customers to deploy and scale their data-driven medicine operations rapidly and to incorporate additional clinically relevant data sets over time. We believe our platform is uniquely positioned to combine high-quality data at the patient level to generate multimodal insights, leveraging the power of advanced AI/ML models.
Software-based Platform Facilitates Rapid Global Scaling and Data Collection. We designed our cloud-based SaaS platform to be capable of scaling globally and to use AI to leverage the data that this scale provides. As of March 31, 2021, we served more than 750 hospital, laboratory and biopharma customers globally through our SOPHiA platform and related solutions, products and services. We believe that this global footprint is unique and enables us to capture a wide variety of real-world clinical data around the world.

Ability to Work with All Stakeholders in the Healthcare Ecosystem. We are empowering our customers through a decentralized model and are able to support clinicians, laboratories and researchers across the healthcare ecosystem. This enables us to benefit from growth across the industry and provide the benefits of our network to different stakeholders.

Real-time Visibility into the Healthcare Ecosystem Provides Product and Application Expansion Opportunities. Our strategic positioning as a universal healthcare data analytics platform gives us real-time visibility into data and events in the healthcare ecosystem, including diagnosis, clinical data, customer behavior, performance of third-party technology solutions and other data important to stakeholders.

High Visibility and Predictability into Our Business. Once onboarded onto our SOPHiA platform, our customers tend to steadily increase their use of our SOPHiA platform, which offers a level of predictability that helps us project and manage our growth. In addition, customers rarely leave our SOPHiA platform given that we are generally integrated into their processes. We have a customer retention rate, defined as the percentage of our onboarded in-routine customers who access our SOPHiA platform through the dry lab or bundle access models and who generated revenue during a 12-month period since their last revenue-generating use of our SOPHiA platform, of 84% across our customer base over a five-year period beginning January 1, 2016 and ending December 31, 2020. Furthermore, our customers generally increase their use and adopt new applications of our SOPHiA platform as our relationship with them grows. For each annual cohort of our dry lab and bundle access customers onboarded between 2015 and 2019, the volume of analysis generated by these customers increased year-over-year at a compound annual growth rate ranging between 13% and 24%. The growth in analysis volume across our customer base, combined with the general trend of our dry lab customers shifting over time to the typically higher revenue-generating bundle access model, illustrates the effectiveness of our “land and expand” commercial strategy.

Our Growth Strategy

Our mission is to empower clinicians and researchers around the world to practice data-driven medicine and improve clinical and scientific outcomes. Our growth strategy is to:

- Continue to drive innovation and advancement of our SOPHiA platform to increase its capabilities and broaden its applications;
- Drive new customer adoption with clinical customers worldwide;
- Increase utilization within our clinical customer base;
- Leverage our platform and database to drive adoption by biopharmaceutical companies; and
- Establish and grow industry collaborations across the healthcare ecosystem.
Recent Developments

**GE Precision Healthcare Commercial Relationship**

On July 1, 2021, we entered into a non-binding letter of intent with GE Precision Healthcare LLC (“GE Healthcare”) to negotiate in good faith for a period of six months a collaboration agreement to develop new AI-powered analytics and workflow solutions to serve both the clinical and biopharma markets by deploying GE Healthcare’s medical imaging and monitoring capabilities and its Edison platform-enabled data aggregation together with our SOPHiA platform to break down the data silos across instruments and sites. The goal of the collaboration, if a definitive agreement is negotiated and executed, is to better target and match treatments to each patient’s genomic profile and cancer type, helping to ensure the most effective and personalized treatment.

We believe that if we and GE Healthcare reach such a definitive agreement, the resulting strategic relationship will help us expand and enhance our SOPHiA platform and related solutions, products and services. However, there can be no assurance that such a definitive agreement will be reached, and our inability to reach a definitive agreement with GE Healthcare could have an adverse effect on our business and prospects. Further, there can be no assurance that even if such an agreement is reached, our relationship with GE Healthcare will be successful or result in increased utilization of our SOPHiA platform and related solutions, products and services or increased revenue to us.

**Risks Associated with Our Business**

Our ability to implement our business strategy is subject to numerous risks, as more fully described in the section titled “Risk Factors” immediately following this prospectus summary. These risks include, among others:

- We may not be successful in expanding features, applications and data modalities of our SOPHiA platform and related solutions, products and services.
- We may experience challenges with the acquisition, development, enhancement or deployment of technology necessary for our data analytics platform technologies.
- If we are unable to expand our sales and marketing capabilities in a cost-effective manner, we may not be able to grow our revenue.
- The insurance coverage and reimbursement status of newly developed products, such as data analytics platforms and related solutions, products and services, particularly in a new category of diagnostics and therapeutics, is uncertain. An inability to obtain or maintain adequate coverage and reimbursement could limit the commercial potential of our SOPHiA platform and related solutions, products and services.
- If we cannot maintain our current relationships and enter into new relationships with hospitals, reference and specialty laboratories, and biopharmaceutical companies, our revenue prospects could be reduced.
- We are highly dependent on our senior management team and other key personnel, and our business could be harmed if we are unable to attract and retain such personnel.
- We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the price of our ordinary shares.
• Our internal controls over financial reporting and our disclosure controls and procedures in the past have not prevented all errors and fraud and in the future may not prevent all errors and fraud.

• Our industry is subject to rapid change, which could make our SOPHiA platform and related solutions, products and services obsolete. If we are unable to continue to innovate and improve our SOPHiA platform and related solutions, products and services, we could fail to attract new customers and expand our market share and we could lose existing customers and market share.

• We face competition from many sources and we may be unable to compete successfully.

• Security or data privacy breaches, other unauthorized or improper access, or denial of access (e.g., ransomware) could result in additional costs, loss of revenue, significant liabilities, harm to our brand and decreased use of our SOPHiA platform and related solutions, products or services.

• If we are not able to obtain, maintain, defend or enforce patent and other intellectual property protection or if the scope of the patent and other intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products, services and technology similar or identical to ours.

• We license patent rights from third-party owners. If such owners do not properly or successfully obtain, maintain or enforce the patents underlying such licenses, or if they retain or license to others any competing rights, our competitive position and business prospects may be adversely affected. If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our relationships with our licensor, we could lose license rights that are important to our business.

• We have incurred net losses since our inception and expect to continue to incur losses for the foreseeable future. We may never achieve or sustain profitability.

• A limited number of distributors collectively account for a substantial portion of sales of our SOPHiA platform and related solutions, products and services.

Company and Corporate Information

We were incorporated as a Swiss stock corporation (société anonyme) under the laws of Switzerland on March 18, 2011. We have six subsidiaries: SOPHiA GENETICS, Inc. incorporated in the United States, SOPHiA GENETICS S.A.S. incorporated in France, SOPHiA GENETICS LTD. incorporated in the U.K., SOPHiA GENETICS Intermediação de Negócios EIRELI incorporated in Brazil, SOPHiA GENETICS PTY LTD. incorporated in Australia and SOPHiA GENETICS SRL incorporated in Italy. Our principal executive office is located at Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland and our telephone number is +41 21 694 10 60. Our website is www.sophiagenetics.com. The reference to our website is an inactive textual reference only and information contained therein or connected thereto are not incorporated into this prospectus or the registration statement of which it forms a part.

Share Capital Reorganization

Immediately prior to the completion of this offering, our outstanding share capital will consist of 49,227,000 ordinary shares, after giving effect to (i) a one-to-twenty share split of all issued shares (the “Share Split”), which was effected on June 30, 2021, and (ii) a conversion on a one-to-one basis of our issued preferred shares into ordinary shares (the “Conversion” and together with the Share Split, the “Share Capital Reorganization”), which will be effected immediately prior to the completion of this offering. See “Description of Share Capital and Articles of Associations—Share Capital.”
Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company, we may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- a requirement to have only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced disclosure in the Management's Discussion and Analysis of Financial Condition and Results of Operations;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”); and
- to the extent that we no longer qualify as a foreign private issuer, (i) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (ii) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; (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. We may choose to take advantage of some but not all of these reduced burdens. For example, Section 107 of the JOBS Act also 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.

Implications of Being a Foreign Private Issuer

We are also considered a “foreign private issuer.” Accordingly, upon consummation of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. This means that, even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.
We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States.

In this prospectus, we have taken advantage of certain of the reduced reporting requirements as a result of being an emerging growth company and a foreign private issuer. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.
## The offering

<table>
<thead>
<tr>
<th>Ordinary shares offered by us</th>
<th>shares.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option to purchase additional ordinary shares offered by us</td>
<td>We have granted the underwriters an option for a period of 30 days to purchase up to additional ordinary shares.</td>
</tr>
<tr>
<td>Ordinary shares to be outstanding immediately after this offering</td>
<td>shares (or shares if the underwriters exercise their option to purchase additional ordinary shares in full).</td>
</tr>
</tbody>
</table>

### Use of proceeds

We estimate that the net proceeds to us from this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional ordinary shares in full, assuming an initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us.

We intend to use the net proceeds from this offering for working capital and other general corporate purposes, which may include:

- research and development, in particular to further expand the features, applications and data modalities of our SOPHiA platform in order to accommodate multimodal data analytics capabilities;
- expanding selling and marketing efforts for our SOPHiA platform and related solutions, products and services, in particular to drive new customer adoption with clinical customers and biopharmaceutical companies;
- establishing new and maintaining and growing existing relationships with collaborators and customers across the healthcare system; and
- obtaining regulatory clearances or approvals to offer our products as IVD products for diagnostic use.

See “Use of Proceeds” for a more complete description of the intended use of proceeds from this offering.

### Directed share program

At our request, the underwriters have reserved up to 5% of the ordinary shares offered by this prospectus for sale, at the initial public offering price, to our employees and to friends, professional contacts and family members of our employees and directors. If purchased by these persons, these shares will not be subject to a lock-up restriction, except in the case of shares purchased by any director or officer, which will be subject to a 180-day lock-up restriction.
described under “Underwriting.” The number of ordinary shares available for sale to the general public will be reduced by the number of reserved ordinary shares sold to these individuals. Any reserved ordinary shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other ordinary shares offered by this prospectus. See “Underwriting.”

Risk factors

See “Risk Factors” and the other information included in this prospectus for a discussion of factors you should consider before deciding to invest in our ordinary shares.

Proposed Nasdaq symbol

“SOPH”

The number of ordinary shares that will be outstanding after this offering is based on 49,227,000 ordinary shares outstanding immediately prior to the completion of this offering and excludes:

- 3,799,260 ordinary shares issuable upon the exercise of options that will be outstanding prior to the completion of this offering under our Incentive Stock Option Plan and our 2019 Incentive Stock Option Plan, at a weighted-average exercise price of CHF 4.23 per share; and

- 7,800,740 ordinary shares reserved for future issuance under our 2021 Equity Incentive Plan, which will become effective in connection with this offering, which number includes (i) the number of ordinary shares issuable upon the exercise of options, which will have an exercise price per share equal to the initial public offering price, and the settlement of restricted stock units to be granted to certain of our executive officers, including our chief executive officer, and employees in connection with this offering having an aggregate fair value of $17,533,255, which, based on an assumed initial public offering price equal to the midpoint of the price range set forth on the cover page of this prospectus, is equal to ordinary shares issuable upon the exercise of such options and ordinary shares issuable upon settlement of such restricted stock units and (ii) ordinary shares issuable upon the settlement of restricted stock units to be granted to our non-employee directors in connection with this offering having an aggregate fair value of $1,200,000, which, based on an assumed initial public offering price equal to the midpoint of the price range set forth on the cover page of this prospectus, is equal to ordinary shares issuable upon the settlement of such restricted stock units. See “Management—Compensation of Directors and Executive Officers.”

Unless otherwise indicated, all information contained in this prospectus assumes:

- the Share Capital Reorganization;

- the filing and effectiveness of our amended and restated articles of association, which will occur immediately prior to the completion of this offering;

- no exercise of the option granted to the underwriters to purchase up to additional ordinary shares in connection with this offering;

- an initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus;

- no purchase of ordinary shares in this offering by directors, officers or existing shareholders; and

- no exercise of outstanding options.
Summary consolidated financial data

The following summary consolidated financial data should be read in conjunction with “Selected Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus. The summary consolidated income statement data for the years ended December 31, 2020 and 2019 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated income statement data for the three months ended March 31, 2021 and 2020 and the summary consolidated balance sheet data as of March 31, 2021 are derived from our unaudited condensed interim consolidated financial statements included elsewhere in this prospectus. The unaudited condensed interim consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and include all normal recurring adjustments that we consider necessary for a fair statement of our financial position and operating results as of the dates and for the periods presented. Our historical results are not necessarily indicative of the results that may be expected in the future, and our results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. Our audited consolidated financial statements are prepared in accordance with IFRS and presented in U.S. dollars and our unaudited condensed interim consolidated financial statements are prepared in accordance with IAS 34 and presented in U.S. dollars.

<table>
<thead>
<tr>
<th>(in USD thousands, except share and per share data)</th>
<th>Year Ended December 31,</th>
<th>Three Months Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Revenue</td>
<td>28,400</td>
<td>25,362</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(10,709)</td>
<td>(7,532)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>17,691</td>
<td>17,830</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>(18,588)</td>
<td>(15,018)</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(17,432)</td>
<td>(19,414)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>(18,965)</td>
<td>(15,669)</td>
</tr>
<tr>
<td>Operating income and (expense), net</td>
<td>(93)</td>
<td>(16)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(37,387)</td>
<td>(32,287)</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>(3,838)</td>
<td>(1,342)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(41,225)</td>
<td>(33,629)</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>1,886</td>
<td>(162)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(39,339)</td>
<td>(33,791)</td>
</tr>
<tr>
<td>Basic and diluted loss per share(1)</td>
<td>(0.93)</td>
<td>(0.90)</td>
</tr>
<tr>
<td>Weighted-average number of shares used to compute basic and diluted loss per share(1)</td>
<td>42,350,757</td>
<td>37,752,948</td>
</tr>
<tr>
<td>Pro forma basic and diluted loss per share(2)</td>
<td>(0.93)</td>
<td>(0.90)</td>
</tr>
<tr>
<td>Weighted-average number of shares used to compute pro forma basic and diluted loss per share(2)</td>
<td>42,350,757</td>
<td>37,752,948</td>
</tr>
</tbody>
</table>

(1) See Note 9 to our audited consolidated financial statements and Note 6 to our unaudited condensed interim consolidated financial statements included elsewhere in this prospectus for a description of the method used to compute basic and diluted loss per share. These figures have been retroactively adjusted to give effect to the Share Split.

(2) The pro forma information gives effect to the Conversion.
<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Actual</th>
<th>Pro Forma(1)</th>
<th>As Adjusted(2)(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Balance Sheet Data:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>57,113</td>
<td>57,113</td>
<td></td>
</tr>
<tr>
<td>Term deposits and short-term investments</td>
<td>21,184</td>
<td>21,184</td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>111,922</td>
<td>111,922</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>29,847</td>
<td>29,847</td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>2,469</td>
<td>2,469</td>
<td></td>
</tr>
<tr>
<td>Share premium</td>
<td>228,037</td>
<td>228,037</td>
<td></td>
</tr>
<tr>
<td>Other reserves</td>
<td>1,916</td>
<td>1,916</td>
<td></td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(150,347)</td>
<td>(150,347)</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>82,075</td>
<td>82,075</td>
<td></td>
</tr>
</tbody>
</table>

(1) The pro forma information gives effect to the Conversion.
(2) The pro forma as adjusted information gives effect to the pro forma adjustments described in footnote (1) above and to our issuance and sale of ordinary shares in this offering at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us.
(3) The pro forma as adjusted information is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, total assets and total equity by $ million, assuming that the number of ordinary shares offered by us in this offering, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us in this offering. Each 1,000,000 share increase or decrease in the number of ordinary shares offered by us in this offering would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, total assets and total equity by $ million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us in this offering.
Investing in our ordinary shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus, before deciding to invest in our ordinary shares. If any of the events or developments described below were to occur, our business, results of operations, financial condition and prospects could suffer materially, the trading price of our ordinary shares could decline and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. If any of the following risks occur, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Risks Related to the Development of Our SOPHiA Platform and Related Solutions, Products and Services

We may not be successful in expanding features, applications and data modalities of our SOPHiA platform and related solutions, products and services.

As of March 31, 2021, our SOPHiA platform offered approximately 240 genomics applications across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. A major part of our long-term strategy is bringing new high-impact content to our customers through updates to our platform, which may include expanding our platform with additional features, applications and data modalities and related solutions, products and services. We expect to make significant investments to advance these efforts.

Enhancing our platform and developing new related solutions, products and services is a speculative and risky endeavor. Features, applications, data modalities and services that initially show promise may fail to achieve the desired results or may not achieve acceptable levels of analytical accuracy or utility. We may need to alter our platform, products or services in development and repeat studies before we identify a potentially successful feature, application, data modality, product or service. Platform, service and product development is expensive, may take years to complete and can have uncertain outcomes. Failure can occur at any stage of the development. Even if we confirm that our platform can be successfully employed for additional features, applications and data modalities, those features, applications and data modalities may be limited in scope to only some diseases, disease segments, patient markets or geographies. If, after development, a new feature, application, data modality, service or product appears successful, we or our collaborators may, depending on the nature of the feature, application, data modality, service or product, need to obtain FDA’s, European Medicines Agency’s (the “EMA”) and other regulatory clearances, authorizations or approvals before we can market the feature, application, data modality, service or product. The FDA’s and EMA’s clearance, authorization or approval pathways are likely to require significant time and expenditures. The FDA, EMA or other applicable regulatory authority may not clear, authorize or approve any feature, application, data modality, service or product we develop. Even if we develop a feature, application, data modality, service or product that receives regulatory clearance, authorization or approval, we or our collaborators would need to commit substantial resources to commercialize, sell and market the feature, application, data modality, service or product we develop. Furthermore, we purposefully built our SOPHiA platform in a decentralized manner and strategically positioned it as a “universal operating-system” for multiomics and multimodal data analytics in order to provide for a broad range of product and service expansion opportunities. However, certain jurisdictions, such as the Netherlands, implemented centralized services architectures for EHR where all patient data passes through a single, often government-run, entity rather than being shared directly between the healthcare providers. Such centralized
If widely implemented, systems may limit the development of our platform in a decentralized manner across different data modalities. Any of the foregoing could adversely affect our business, revenue growth and results of operations.

In addition, we generally sell our platform, products and services in industries that are characterized by rapid technological changes, frequent new product introductions and changing industry standards. If we do not develop platform enhancements based on technological innovation on a timely basis, our platform may become obsolete over time and our financial and competitive position will suffer. Our success will depend on several factors, including our ability to:

- correctly identify customer needs and preferences and predict future needs and preferences;
- allocate our research and development funding to areas with higher growth prospects;
- anticipate and respond to our competitors’ development of new products and technological innovations;
- innovate and develop new technologies and applications, and acquire or obtain rights to third-party technologies that may have valuable applications in the markets we serve;
- successfully develop and commercialize new technologies and applications in a timely manner; and
- convince customers to adopt new technologies and applications.

The expenses or losses associated with unsuccessful platform expansion could adversely affect our business revenue growth and results of operations.

Strong platform, product and service performance, security and reliability are necessary to maintain and grow our business.

We need to maintain and continuously improve the performance, security and reliability of our SOPHiA platform and related solutions, products and services. Our platform and other products may contain errors or defects, and while we have made efforts to test them and are not aware of any widespread material errors, defects or other performance-related issues, there can be no assurance that our platform, products and services do not or will not have performance problems. As we continue to launch more platform features, applications, data modalities and products and services, these risks may increase. Poor performance, security and reliability could adversely impact our customers and lead to customer dissatisfaction, adversely affect our reputation and revenues and increase our service, product care, and distribution costs and working capital requirements.

We may experience challenges with the acquisition, development, enhancement or deployment of technology necessary for our data analytics platform technologies.

Our business requires sophisticated computer systems and software in order to accurately and efficiently capture, service and process increasing volumes of health data, in particular a growing number of genomic profiles generated by our customers through various NGS test kits, sequencers and sample materials from different manufacturers. Some of the technologies are changing rapidly and we must continue to adapt to these changes in a timely and effective manner at an acceptable cost. There can be no assurance that we will be able to develop, acquire, enhance, deploy or integrate new technologies, including technologies needed to integrate new genomics test kits into our data analytics platform, that these new technologies will be effective and efficient, will meet our needs or achieve our expected goals or that we will be able to do so as quickly or cost-effectively as our competitors. Significant technological change could render our data analytics platform and technologies obsolete and incompatible with new or improved genomics test kits. In addition, we may face challenges in expanding into markets without suitable cloud infrastructure compatible with our SOPHiA platform. Our continued success will depend on our ability to adapt to changing technologies, manage and
process ever-increasing amounts of data and information and improve the performance features of our data analytics platform technologies in response to an ever-changing patient population. We may experience difficulties that could delay or prevent the successful design, development, testing and introduction of new versions of our data analytics platform technologies, limiting our ability to identify new products and services. Any of these challenges could have a material adverse effect on our operating results and financial condition.

Any failure to offer high-quality support for our products and services may adversely affect our relationships with customers and collaborators and negatively impact our reputation and our business, financial condition and results of operations.

In implementing and using our SOPHiA platform and related solutions, products and services, our customers and collaborators depend on our support to resolve issues in a timely manner. We may be unable to respond quickly enough to accommodate short-term increases in demand for customer support. Increased customer demand for support could increase costs and adversely affect our financial condition and results of operations. In addition, we need highly trained technical support personnel. Hiring technical support personnel is very competitive in our industry due to the limited number of people available with the necessary scientific and technical backgrounds and ability to understand our technology at a technical level. Our sales are highly dependent on our reputation and on positive recommendations from our customers, users, care collaborators, providers, hospitals and clinics. If we do not maintain high-quality customer support, or if the market perceives that we do not maintain high-quality customer support, our reputation and our business, financial condition and results of operations could be adversely affected.

Delays in the commencement and successful completion of multimodal clinical studies, and negative or ambiguous data generated from such studies, could increase costs and delay or prevent regulatory approval of our SOPHiA platform and related solutions and products.

To further improve our SOPHiA platform and develop new predictive algorithmic models that we can deploy on our platform, we are sponsoring, and in the future intend to sponsor, observational multimodal clinical studies in various disease areas. There can be no assurance that any multimodal clinical study that we sponsor will be conducted as planned or be completed on schedule, if at all. These clinical studies are subject to numerous risks, and a failure, delay or termination of one or more such studies can occur at any stage of the process. Events that may prevent successful or timely commencement and completion of multimodal clinical studies include:

- delays in receiving the required regulatory clearance from the appropriate regulatory authorities to commence the studies, including any objections to our protocols from the FDA, the EMA or comparable regulatory authorities;
- delays in reaching, or a failure to reach, an agreement on acceptable terms with prospective clinical research organizations (“CROs”) and participating sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and participating sites;
- difficulties in obtaining required Institutional Review Board (“IRB”) or ethics committee approval at each participating site;
- challenges in recruiting and enrolling suitable patients that meet the study criteria to participate in the studies;
- the inability to enroll a sufficient number of patients in the studies;
- our CROs or participating sites failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, deviating from the protocol or dropping out of a study;
lower than anticipated patient retention rates;
• difficulties in maintaining contact with patients, resulting in incomplete data;
• ambiguous or negative interim results;
• changes in regulatory requirements and guidance that require amending or submitting new protocols;
• lack of adequate funding to continue the study; or
• delays and disruptions as a result of unforeseen external events, such as the COVID-19 pandemic.

The commencement and successful and timely completion of a multimodal clinical study will require us to enroll a sufficient number of eligible patients to participate in such study. Any delay or difficulty in patient enrollment could significantly delay or otherwise hinder our research and development efforts, regulatory submissions and approvals and commercialization efforts. Patient enrollment is affected by many factors, including the size and nature of the patient population; the severity of the disease under investigation; the eligibility criteria for the study in question, including any misjudgment of, and resultant adjustment to, the appropriate ranges applicable to the exclusion and inclusion criteria; the number of participating sites and the proximity of prospective patients to those sites; the commitment of participating sites to identify eligible patients; competing studies with similar eligibility criteria; and disruptions as a result of the COVID-19 pandemic. The risks related to patient enrollment may be heightened for any multimodal clinical study that seeks to enroll patients with characteristics that are found in a small population. In addition, patients may also be unwilling to participate in our studies because of data security and privacy concerns.

Furthermore, there can be no assurance that any multimodal clinical study will produce the data necessary to support further development of our platform in a particular disease area or to support any regulatory submission. Even if a study is completed, the data generated may be negative, ambiguous or otherwise insufficient. To obtain sufficient data, we may be required to sponsor studies beyond those we plan to sponsor, which would increase our costs and delay regulatory submissions and commercialization activities.

If we do not have the support of key opinion leaders or clinical data using our products is not published in peer-reviewed journals, it may be difficult to drive adoption of our products.

We have established relationships with leading thought leaders. If these key opinion leaders determine that our SOPHiA platform and related solutions, products and services are not accurate or that alternative technologies, products and services are more accurate or more cost-effective, or if we fail to establish new relationships with key opinion leaders in different markets, geographies and among various stakeholders, we may see lower demand for our SOPHiA platform and related solutions, products and services, which would limit our revenue growth and our ability to achieve profitability.

The publication of clinical data using our products in peer-reviewed journals is also crucial to our success. For instance, as of March 31, 2021, our SOPHiA platform and related solutions, products and services have been utilized in clinical trials and research projects discussed in more than 200 peer-reviewed publications. We are unable to control when, if ever, results of current or future trials and projects are published, which may delay or limit adoption of our SOPHiA platform and related solutions, products and services. Such peer-reviewed publications may be limited by many factors, including delays in the completion of, poor design of, or lack of compelling data from, clinical studies, as well as delays in the review, acceptance and publication process. If our SOPHiA platform and related solutions, products and services do not receive sufficient favorable exposure in peer-reviewed publications, the rate of adoption of our SOPHiA platform and related solutions, products and services among medical personnel and positive reimbursement coverage determinations for them could be adversely affected.
Risks Related to Commercialization

If we are unable to expand our sales and marketing capabilities, including through additional strategic relationships, in a cost-effective manner, we may not be able to grow our revenue.

Our future sales will depend in large part on our ability to develop, train, retain and substantially expand, our sales force, to increase the scope of our marketing efforts, including into markets and geographies where our presence is currently limited, and to maintain our current strategic relationships and enter into new strategic relationships. Our current target market of hospitals, reference and specialty laboratories, and biopharmaceutical companies is a large and diverse market. As a result, we believe it is necessary to continue to develop a sales force that includes sales representatives with specific technical backgrounds and industry expertise. Competition for such personnel is intense. We may not be able to attract and retain personnel or be able to continue to build and maintain an efficient and effective sales and marketing force, which could adversely impact sales of our SOPHiA platform and related solutions, products and services and their market acceptance and limit our revenue growth and potential profitability.

We currently have multiple strategic relationships with third-party providers of solutions and services that can be bundled with our SOPHiA platform, including Integrated DNA Technologies, Inc. ("IDT"), Twist Biosciences Corporation ("Twist") and Agilent Technologies, Inc. ("Agilent"). See “Business—Collaboration Agreements.” We also offer our SOPHiA platform and related solutions, products and services through various global and local distributors. See “—Risks Related to Our Relationships with Third Parties—Our operating results depend on the performance of third-party distributors” and “—Risks Related to Our Relationships with Third Parties—We intend to rely on third-party distributors to realize our expansion strategy.” In addition, we have a direct sales force to market and sell our SOPHiA platform and related solutions, products and services, including a dedicated BioPharma Business Development and Operations team, focusing on expanding our collaborations with biopharmaceutical companies, both advanced and early stage. Sales and marketing activities in the healthcare space are subject to various rules and regulations. In addition, our marketing messaging can be complex and nuanced, and there may be errors or misunderstandings in our sales force’s communication of such messaging. As we continue to grow our sales and marketing efforts, we face an increased need to continuously monitor and improve our policies, processes and procedures to maintain compliance with a growing number and variety of laws and regulations. To the extent that there is any violation, whether actual, perceived or alleged, of our policies or applicable laws and regulations, we could incur additional training and compliance costs, receive inquiries from third parties or be held liable or otherwise responsible for such acts of noncompliance. Any of the foregoing could adversely affect our business, reputation and results of operations.

We intend to continue to expand and leverage our sales and marketing infrastructure. Identifying, recruiting and training qualified sales and marketing personnel requires significant time, expense and attention. It often takes several months or more before a sales representative is fully trained and productive, depending on the target market or geographies. Our sales force may subject us to higher fixed costs than that incurred by our competitors that utilize independent third parties, which could place us at a competitive disadvantage.

Our ability to increase our customer base and achieve broader market acceptance of our SOPHiA platform and related solutions, products and services will depend to a significant extent on our ability to expand our marketing efforts. We plan to dedicate significant resources to our marketing programs. However, marketing activities may not generate medical personnel awareness or increase revenue, and even if they do, any increase in revenue may not offset the costs and expenses we incur in building our brand. If we fail to successfully promote, maintain and protect our brand, we may fail to attract or retain the market acceptance necessary to realize a sufficient return on our brand building efforts, or to achieve the level of brand awareness that is critical for broad use of our SOPHiA platform and related solutions, products and services.
The commercial success of our SOPHiA platform and current and future products and services depends on attaining significant market acceptance.

Our commercial success depends, in part, on market acceptance of our SOPHiA platform and our products and services. We cannot predict how quickly, if at all, our SOPHiA platform and related solutions, products and services will attain significant market acceptance or, if accepted, how frequently they will be used. These constituents must believe that our SOPHiA platform and related solutions, products and services offer benefits over other available alternatives. The degree of market acceptance of our SOPHiA platform and related solutions, products and services depends on a number of factors, including:

• whether there is adequate utilization of our SOPHiA platform and related solutions, products and services based on their potential and perceived advantages over those of our competitors;

• the safety, accuracy and ease of use of our SOPHiA platform and related solutions, products and services relative to those currently on the market;

• our ability to develop, commercialize and obtain regulatory clearance or approval for IVD products for diagnostic use and our compliance with the FDA's “Distribution of In Vitro Diagnostic Products Labeled for Research Use Only or Investigational Use Only” (the “RUO Guidance”) and other laws and regulations governing RUO and IVD products in the United States, the EU and other geographies;

• the clinical flexibility, operational versatility and technology agnostic nature of our SOPHiA platform and related solutions, products and services;

• the prices at which we and our distributors offer our SOPHiA platform and related solutions, products and services;

• the effectiveness of our sales and marketing efforts;

• our ability to provide incremental data that show the clinical benefits and cost-effectiveness, and operational benefits, of our SOPHiA platform and related solutions, products and services;

• the coverage and reimbursement acceptance of our products and services;

• pricing pressure, including from group purchasing organizations (“GPOs”), seeking to obtain discounts on our SOPHiA platform and related solutions, products and services based on the collective bargaining power of the GPO members;

• negative publicity regarding our or our competitors’ platforms, products and services; and

• the accuracy of our SOPHiA platform and related solutions, products and services relative to those of our competitors.

Additionally, even if our SOPHiA platform and related solutions, products and services achieve widespread market acceptance, they may not maintain that market acceptance over time if more cost-effective or more favorably received platforms, products, services or technologies are introduced. Failure to achieve or maintain market acceptance and/or market share would limit our ability to generate revenue.

In addition, our customer base includes hospitals, reference and specialty laboratories, and biopharmaceutical companies. In the years ended December 31, 2020 and December 31, 2019, most of our revenue came from sales to our customers in Europe, the Middle East and Africa (“EMEA”). Our success will depend on our ability to increase our market penetration among these customers, including our ability to provide additional applications of our platform and additional products and services to our existing customers, and expand our
customer base across various markets and geographies by developing and marketing new applications of our data analytics platform and new products and services. In particular, we intend to focus our efforts on geographic and biopharma expansion, for example by capitalizing on increasing NGS testing and expanding our offerings to biopharmaceutical companies with new and improved pre- and post-market solutions. As we continue to scale our business, we may find that certain applications of our SOPHiA platform, certain of our products and services, certain customers or certain markets may require a dedicated sales force or sales personnel with different experience than those we currently employ. For instance, we have a dedicated BioPharma Business Development and Operations team, focusing on expanding our collaborations with biopharmaceutical companies, both advanced and early stage. Identifying, recruiting and training additional qualified personnel would require significant time, expense and attention.

There can be no assurance that we will be able to further penetrate our existing markets, that our existing markets will be able to sustain our current and future product and services offerings and that we will be able to expand into new markets. Any failure to increase penetration in our existing markets or expand into new ones would adversely affect our revenues and results of operations.

**The market opportunities for our SOPHiA platform and related solutions, products and services may be smaller than we estimate.**

Our estimates of the addressable market for our SOPHiA platform and related solutions, products and services are derived from a variety of sources, including scientific literature, surveys of clinicians, medical personnel and healthcare professionals and other forms of market research. These estimates may be inaccurate or based on imprecise data. Further, these estimates are based on various assumptions, including the outcomes of clinical studies, and whether the clinical studies will achieve objectives needed to meet clinical and payor expectations, the number of people who have a particular disease or condition, our expansion into other features, applications and data modality opportunities and disease areas, expansion of our clinical and multimodal data sets, the prices at which we and our distributors provide or sell our SOPHiA platform and related solutions, products and services in the market, the regulatory framework governing the development, sale and use of our SOPHiA platform and related solutions, products and services, including the laws and regulations governing RUO and IVD products, the degree of coverage and reimbursement, the cost-containment efforts by payors, customers and collaborators as well as obtaining necessary clearance or regulatory approvals. While we believe our assumptions and estimates are reasonable, these assumptions and estimates may prove to be incorrect and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. The future growth of the market for our current and future products and services depends on many factors beyond our control, including recognition and acceptance of our products by the scientific community and the growth, prevalence and costs of competing products and solutions. Such recognition and acceptance may not occur in the near term, or at all. If the addressable market for our SOPHiA platform and related solutions, products and services is smaller than our estimates, or if the prices at which we can sell our SOPHiA platform and related solutions, products and services are lower than our estimates, our business, financial condition and results of operations could be negatively impacted.

**The insurance coverage and reimbursement status of newly developed products, such as data analytics platforms and related solutions, products and services, particularly in a new category of diagnostics and therapeutics, is uncertain. An inability to obtain or maintain adequate coverage and reimbursement could limit the commercial potential of our SOPHiA platform and related solutions, products and services.**

The availability and extent of reimbursement by governmental and private payors is essential for most patients to be able to afford our current and future platforms, products and services, if approved for IVD use. In addition, because our SOPHiA platform and related solutions, products and services represent new approaches to the research, diagnosis, detection and treatment of diseases, we cannot accurately estimate how they would
be priced, whether reimbursement could be obtained or any potential revenue generated. Sales of our SOPHiA platform and related solutions, products and services, if approved for IVD use, may depend substantially on the extent to which they are covered by health maintenance, managed care and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors. If reimbursement is not available, or is available only to limited levels, we may not be able to successfully commercialize our SOPHiA platform and related solutions, products and services. Even if coverage is provided, the available reimbursement amount may not be high enough to allow us to establish or maintain pricing sufficient to realize an adequate return on our research and development and sales and marketing costs.

Coverage and reimbursement are ever changing, and we are not in control of how our competitors’ coverage and pricing strategies are established. Some of our competitors have widespread brand recognition and substantially greater financial and technical resources and development, production and marketing capabilities than we do. Others may develop lower-priced, less complex tests that payors and healthcare professionals could view as functionally equivalent to our products, which could force us to lower the list price of our tests and impact our operating margins and our ability to achieve and maintain profitability. Payors may compare our products to our competitors and utilize them as precedents, which may impact our coverage and reimbursement. In addition, technological innovations that result in the creation of enhanced diagnostic tools that are more effective than ours may enable other clinical laboratories, hospitals, medical personnel or medical providers to provide specialized diagnostic tests similar to ours in a more patient-friendly, efficient or cost-effective manner than is currently possible.

In the United States, many significant decisions about reimbursement for new diagnostics and medicines are made by the Centers for Medicare & Medicaid Services ("CMS"), which decides whether and to what extent a new diagnostic or medicine will be covered and reimbursed under Medicare, although it frequently delegates this authority to local Medicare Administrative Contractors ("MACs"). Private payors tend to follow Medicare to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement for novel platforms, products and services such as ours. Outside the United States, the reimbursement process and timelines vary significantly. Certain countries, including a number of member states of the EU, set prices and make reimbursement decisions for diagnostics and pharmaceutical products, or medicinal products, as they are commonly referred to in the EU, with limited participation from the marketing authorization or CE mark holders, or may take decisions that are unfavorable to the authorization or CE mark holder where they have participated in the process. There can be no assurance that we can achieve acceptable prices and reimbursement decisions.

Cost-containment efforts of our customers and third-party payors could have a material adverse effect on our sales and profitability.

Increasing efforts by governmental and third-party payors to cap or reduce healthcare costs may cause such organizations to limit both coverage and level of reimbursement for newly cleared, authorized or approved devices and medicines and, as a result, they may not cover or provide adequate payment for our platform and related solutions, products and services. In addition, such organizations may decide to divert or reallocate their available funding to other services, products or uses, for instance to contain the spread of the COVID-19 pandemic. Such efforts include legislation and regulations designed to control pharmaceutical and biological pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, which are, in some cases, designed to encourage importation from other countries and bulk purchasing. Additionally, some countries require approval of the sale price of a product before it can be marketed or mandatory discounts or profit caps may be applied.
In the United States and some foreign jurisdictions there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system to contain costs, improve quality, and expand access to care. There have been executive and judicial challenges to certain aspects of the Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act of 2010 (the “ACA”), as well as efforts to repeal, replace or alter the implementation of certain aspects of the ACA. For example, on June 17, 2021 the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the “individual mandate” was repealed by the U.S. Congress. Thus, the ACA will remain in effect in its current form. It is possible that the ACA will be subject to judicial or congressional challenges in the future. It is unclear how any such challenges as well as the healthcare reform measures of the U.S. presidential administration will affect our business, financial condition and results of operations.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to CMS payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030 unless additional congressional action is taken, with the exception of a temporary suspension of the 2% cut in Medicare payments from May 1, 2020 through December 31, 2021. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced CMS payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover Medicare overpayments to providers from three to five years.

Further, we expect that additional state and federal healthcare reform measures will be adopted in the future. Because of that, we expect to experience pricing pressures on our SOPHiA platform and related solutions, products and services due to the trend toward value-based pricing and coverage, the increasing influence of health maintenance organizations and legislative changes.

In an effort to reduce costs, many hospitals in the United States have become members of GPOs and Integrated Delivery Networks (the “IDNs”), which negotiate pricing arrangements with medical device companies and distributors and then offer these negotiated prices to affiliated hospitals and other members. GPOs and IDNs typically award contracts on a category-by-category basis through a competitive bidding process. Due to the highly competitive nature of the GPO and IDN contracting processes, we may not be able to obtain and maintain contract positions with major GPOs and IDNs. Furthermore, the increasing leverage of organized buying groups may reduce market prices for our SOPHiA platform and related solutions, products and services, thereby reducing our revenue and margins.

We expect that a significant portion of our revenue will be derived from sales to customers for research and development applications, including for CROs. The demand for our SOPHiA platform and related solutions, products and services will depend in part upon the research and development budgets of these customers, which are impacted by factors beyond our control. In addition, academic, governmental and other research institutions that fund research and development activities may be subject to stringent budgetary constraints that could result in spending reductions, reduced allocations or budget cutbacks, which could jeopardize the ability of these customers to purchase our products.

**Risks Related to Our Business Strategy**

*We may encounter difficulties in managing our growth, which could disrupt our operations and make it difficult to execute our business strategy.*

As of March 31, 2021, we had 415 employees. We anticipate continued growth in our business operations, particularly in the areas of research and development, sales and marketing, regulatory affairs and other
functional areas such as finance, accounting, quality and legal. Additionally, we expect to expand our testing, analytics and manufacturing capacities as we develop and commercialize additional platforms, products and services and expand our presence in existing markets and enter new markets, including North America. To manage our anticipated growth, we must continue to implement and improve our managerial, operational quality and financial systems, expand our facilities and continue to recruit, train and retain additional qualified personnel. This growth could create strain on our organizational, administrative and operational infrastructure, including laboratory operations, quality control, customer service and sales organization management, in particular during the COVID-19 pandemic. Our management may also have to divert its attention away from day-to-day activities in order to manage growth. Difficulties managing our growth could disrupt our operations and make it difficult to execute our business strategy.

If we are unable to manage our growth, we may not be able to maintain the quality or expected turnaround times of our SOPHiA platform and related solutions, products and services, or satisfy customer demand. Our ability to manage our growth will require us to continue to improve our operational, financial and management controls, as well as our reporting systems and procedures. The time and resources required to implement these new systems and procedures is uncertain, and failure to complete this in a timely and efficient manner could materially adversely affect our operations.

**Our results of operations will be materially harmed if we are unable to accurately forecast customer demand for, and utilization of, our SOPHiA platform and related solutions, products and services and manage our inventory.**

To ensure adequate inventory supply, we must forecast inventory needs and assemble products related to our SOPHiA platform and services based on our estimates of future demand. Our ability to accurately forecast demand could be negatively affected by various factors, including our failure to accurately manage our expansion strategy, product introductions by competitors, change in customer demand, changes in customer acceptance, changes in general market conditions or regulatory matters and weakening of economic conditions or consumer confidence in future economic conditions. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, which would adversely affect our gross margin and impair the strength of our brand. Conversely, if we underestimate customer demand for our SOPHiA platform and related solutions, products and services, our supply chain, manufacturing collaborators and/or internal manufacturing team may not be able to deliver components to meet our requirements, which could damage our reputation, sales growth and customer relationships. In addition, if we experience a significant increase in demand, additional supplies of raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, if at all, or suppliers may not be able to allocate sufficient capacity in order to meet our increased requirements, which could adversely affect our business, reputation and results of operations.

We have in the past and may in the future acquire other businesses, which could require significant management attention, disrupt our business, dilute shareholder value and adversely affect our results of operations.

As part of our business strategy, we have in the past and may in the future acquire complementary companies, platforms, products or technologies that we believe fit within our business model and can address the needs of our current and potential customers. For example, in June 2018 we acquired Interactive Biosoftware (“IBS”), a French tech company which developed and commercialized Alamut, the standardized decision support software for clinical genomic data interpretation. In connection with this acquisition, we faced challenges with connecting our Alamut suite to our SOPHiA platform. We also did not retain some key IBS employees for a variety of reasons. There can be no assurance that we can acquire or successfully integrate such companies, platforms, products or technologies into our business, in particular that we can successfully integrate any
acquired technology into our SOPHiA platform. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. In addition, the pursuit of potential acquisitions may divert the attention of management and cause us to incur additional expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our strategic goals and any acquisitions we complete could be viewed negatively by our customers, investors and industry analysts. We may not be aware of all of the risks associated with the acquired business. In addition, an acquisition may result in unforeseen operating difficulties and expenditures, such as:

- difficulties integrating businesses, services, personnel, operations and financial and other controls and systems and retaining key employees;
- assumption of unknown liabilities, known contingent liabilities, that become realized or known liabilities that prove greater than anticipated;
- difficulties retaining the customers or employees of any acquired business;
- incurrence of debt, contingent liabilities or future write-offs of intangible assets or goodwill;
- entry into a new market or business line in which we have no prior experience and in which we may not successfully compete;
- integration of an acquired company, which may disrupt ongoing operations and require management resources that would otherwise be used in developing our existing business; and
- divergent interests from those of our collaborators.

Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Any such acquisitions may reduce cash available for operations and other uses and could result in amortization expense related to identifiable assets acquired. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition and the value of our ordinary shares. The sale or issuance of equity securities to finance any such acquisitions would result in dilution to our shareholders. The incurrence of indebtedness to finance any such acquisition would result in fixed obligations and could also include restrictive covenants that impede our ability to manage our operations. In addition, our results of operations may be adversely affected by the dilutive effect of an acquisition, performance earn-outs or contingent bonuses associated with an acquisition.

Risks Related to Our Relationships with Third Parties

If we cannot maintain our current relationships and enter into new relationships with hospitals, reference and specialty laboratories, and biopharmaceutical companies, our revenue prospects could be reduced.

We collaborate with hospitals, reference and specialty laboratories, and biopharmaceutical companies to analyze patient samples for multiple applications, including to support research studies and clinical trials. The revenue attributable to our customers may fluctuate in the future, which could adversely affect our financial condition and results of operations. In addition, the termination of these relationships could result in a temporary or permanent loss of revenue.

We also collaborate with a number of manufacturers, including IDT, Twist and Qiagen GmbH (“Qiagen”), in developing and manufacturing our products, in particular DNA enrichment kits. See “Business—Collaboration...
Agreements. In addition to these manufacturing and supply agreements, we also entered into non-exclusive distribution agreements with IDT and Twist. Pursuant to these agreements, both IDT and Twist can offer our SOPHiA platform to their current and prospective customers, including clinical researchers.

Our future success depends in part on our ability to maintain these relationships and to establish new relationships, including with governmental and third-party payors and patients. Many factors have the potential to impact such relationships, including our customers' and collaborators' satisfaction with our SOPHiA platform and related solutions, products and services and our ability to respond to the evolving needs of our customers. Furthermore, our customers may decide to decrease or discontinue their use of our SOPHiA platform and related solutions, products and services due to changes in clinical routine, research and product development plans, financial constraints or utilization of internal testing resources or tests. In addition, our collaborators may decide to discontinue providing services or manufacturing products, for instance testing kits, complementary to or compatible with our SOPHiA platform and related solutions, products and services, in particular products offered as part of “bundle” solutions together with our SOPHiA platform. Furthermore, our collaborators with whom we entered into both manufacturing and distribution agreements may be disincentivized from adequately performing their obligations under the applicable distribution agreement if we substantially decrease the quantities of products purchased from them under the manufacturing agreement or terminate the manufacturing agreement. In addition to reducing our revenue, the loss of one or more of these relationships may reduce our exposure to clinical routine and research that facilitate the collection and incorporation of new data, including new genomics profiles, into our SOPHiA platform.

We engage in conversations with potential collaborators regarding commercial opportunities on an ongoing basis. There can be no assurance that any of these conversations will result in a commercial agreement, or if an agreement is reached, that the resulting relationship will be successful or that clinical or research studies conducted as part of the engagement will produce successful outcomes.

**Our operating results depend on the performance of third-party distributors.**

A portion of our sales is made through independent global and regional distributors that are not under our control. We rely on distributors to grow and develop our customer base and anticipate customer needs, and any lack of such actions by our distributors may adversely affect our results of operations. If the business relationship with such distributor is terminated, whether through industry consolidation or otherwise, and we are unable to find a suitable replacement, our operations and operating results could be materially adversely affected. These independent distributors also generally represent products offered by several companies and are not subject to any minimum sales requirements or obligation to market our products to their customers. In turn, distributors could reduce their sales efforts for our products or choose to terminate their representation of us. They may also fail to perform their obligations under the agreements with us, including their obligations to ensure that end users of our SOPHiA platform are aware that informed consent is required from patients prior to obtaining access to our SOPHiA platform. Additionally, we rely on our distributors to provide accurate and timely sales reports in order for us to be able to generate financial reports that accurately represent distributor sales of our products during any given period. Any inaccuracies or untimely reports could adversely affect our ability to produce accurate and timely financial reports and recognize revenue.

**We rely on third-party service providers to host and deliver our SOPHiA platform and related services, and any interruptions or delays in these services could harm our business.**

We currently serve our customers from third-party data center hosting facilities located in the United States, Canada, Brazil, Europe, Turkey and Australia. Our operations depend, in part, on our third-party facility providers' ability to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. In the event that our data center arrangements
are terminated, or if there are any lapses of service or damage to a center, we could experience lengthy interruptions in providing our SOPHiA platform and related solutions, products and services as well as delays and additional expenses in making new arrangements.

We designed our system infrastructure and procure and own or lease the computer hardware used for our services. Design and mechanical errors, spikes in usage volume and failure to follow system protocols and procedures could cause our systems to fail and result in interruptions in our SOPHiA platform and related services. Any interruptions or delays in our service, whether as a result of third-party error, our own error, natural disasters or security breaches could harm our relationships with our customers, reduce our revenue and increase our expenses. In such events, our insurance policies may not adequately compensate us for losses that we may incur but such events could subject us to liability and cause us to issue credits or cause customers to abandon our SOPHiA platform and related services.

In addition, we currently use Microsoft Corporation (“Microsoft”) and Microsoft Azure Services for a substantial portion of our computing, storage, data processing, networking and other services. In addition, our platform can be deployed onto other platforms, including Amazon Web Services (“AWS”) or Google Cloud Platform (“Google Cloud”). Any significant disruption of, or interference with, our use of Microsoft Azure Services, AWS, Google Cloud or other similar cloud platform, could adversely affect our business, financial condition and results of operations. Cloud providers have broad discretion to change and interpret the terms of service and other policies with respect to us, and those actions may be unfavorable to our business operations. Cloud providers may also take actions beyond our control that could seriously harm our business, including discontinuing or limiting our access to one or more services, increasing pricing terms, terminating or seeking to terminate our contractual relationship altogether or altering how we are able to process data in a way that is unfavorable or costly to us. If our arrangements with cloud providers were terminated, we could experience interruptions on our platform and in our ability to make our content available to users, as well as delays and additional expenses in arranging for alternative cloud infrastructure services. Any transition to new cloud providers would be difficult to implement and would cause us to incur significant delays and expense.

Additionally, we are vulnerable to service interruptions experienced by Microsoft Azure Services, Microsoft, AWS, Google Cloud and other providers, and we expect to experience interruptions, delays or outages in service availability in the future due to a variety of factors, including infrastructure changes, human, hardware or software errors, hosting disruptions and capacity constraints. Outages and capacity constraints could arise from a number of causes such as technical failures, natural disasters, fraud or security attacks. The level of service provided by these providers, or regular or prolonged interruptions in that service, could also affect the use of, and our users' satisfaction with, our products and services and could harm our business and reputation. In addition, hosting costs will increase as user engagement grows, which could harm our business if we are unable to grow our revenue faster than the cost of using these services or the services of other providers. Any of these factors could further reduce our revenue or subject us to liability, any of which could adversely affect our business, financial condition and results of operations.

**We rely on third-party manufacturers for the supply, manufacture and production of our products. Our reliance on these third parties may impair the advancement and commercialization of our products.**

We rely, and expect that we will continue to rely, on third parties for the manufacturing and supply of our products offered with our SOPHiA platform, and such reliance on third-party manufacturers may expose us to different risks than if we were to manufacture products ourselves. If our agreements with these third parties expire or are terminated, there can be no assurance that we would be able to negotiate new agreements with them or other third parties on equally favorable terms as the current agreements, or at all. For example, we rely on our manufacturing and supply agreements with multiple parties, including IDT, Twist and Qiagen, for the
Reliance on third-party providers exposes us to different risks than if we were to manufacture and supply products ourselves. If our third-party manufacturers fail to deliver the required commercial quantities of materials on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement manufacturers capable of production at a substantially equivalent cost in substantially equivalent volumes and quality on a timely basis, the continued commercialization of our products, the supply of our products to customers and the development of any future products will be delayed, limited or prevented, which could have a material adverse effect on our business, financial condition and results of operations. Further, although we have auditing rights with all our manufacturing counterparties and we have the right under our agreements both with IDT and Twist to submit our own product design specifications, we do not have control over a manufacturer’s compliance with applicable manufacturing standards and other laws and regulations, such as those related to environmental health and safety matters. Any failure to achieve and maintain compliance with these laws, regulations and standards could subject us to the risk that we may have to suspend the manufacturing of our products and that obtained regulatory clearance could be revoked, which would adversely affect our business and reputation. In addition, we have encountered and may in the future encounter quality issues with our products if our third-party manufacturers fail to deliver the required materials for, or components of, our products free of defects and contaminants and/or in conformity with applicable specifications, warranties and statutory or regulatory requirements. For example, in June 2021, we detected cross-contamination of index plates used in some of the DNA enrichment kits sold as part of our “bundle” solutions, which resulted from a defect in index plates supplied by one of our third-party manufacturers, and notified certain of our customers of this. Though in this instance, the cross-contamination to date has not led to detection rates inconsistent with our claimed limits of detection for the DNA enrichment kits or given rise to any pending or threatened claims, we cannot guarantee that quality issues resulting from one of our third-party manufacturer's failure to deliver compliant materials or components free of defects and contaminants will not lead to product recalls, marketing or promotional restrictions, litigation, customer loss or reputational harm or otherwise negatively affect our business, financial condition and results of operations. Further, our manufacturing collaborators may be unable to successfully increase the manufacturing capacity for our products in a timely or cost-effective manner, or at all, as needed for our development efforts or, if our additional products are developed and approved, our commercialization efforts. Quality issues may also arise during scale-up activities, some of which may not be readily apparent to us or our collaborators.

Establishing additional or replacement manufacturers could take a substantial amount of time and be expensive, which may result in interruptions in our operations and product delivery, negatively affect the quality and performance of our products or require that modifications be made to our products’ designs. Even if we are able to find replacement manufacturers, we will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with our quality expectations and applicable regulatory requirements. If we are unable to find an adequate replacement or another acceptable solution in time, our research and development and commercial activities could be harmed.

We rely on third parties to conduct multimodal clinical studies. If they do not properly and successfully perform their obligations to us, we may not be able to gather data necessary to support further development of our SOPHiA platform in a particular disease area or to support regulatory submissions.

We rely, and we expect that we will continue to rely, on third parties to assist in managing, monitoring and otherwise carrying out multimodal clinical studies of our SOPHiA platform and related solutions and products. For example, we rely on participating sites and their staff, such as clinical research assistants, to gather and enter data. As a result of our reliance on these third parties, we have less direct control over the conduct,
timing and completion of these studies than we would otherwise have if we relied entirely upon our own staff. These third parties are not our employees and we have limited control over the amount of time and resources that they dedicate to our studies, but we nevertheless are responsible for ensuring that each of our clinical studies is conducted in accordance with applicable protocol, legal, regulatory and scientific standards. In addition, communications with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may have staffing difficulties, fail to comply with contractual obligations, experience regulatory compliance issues, undergo changes in priorities or become financially distressed, or form relationships with other entities, some of which may be our competitors.

If these third parties do not successfully carry out their duties under their agreements, or if the quality or accuracy of the data they obtain is compromised, or if they fail to comply with study protocols or meet expected deadlines, the multimodal clinical studies of our SOPHIA platform and related solutions and products may fail to generate data necessary to support further development of our platform in a particular disease area or to support regulatory submissions and could subject us to liability claims. If third-parties fail to comply with applicable regulatory requirements, the data generated in the multimodal clinical studies may be unreliable and these studies may be extended, delayed, suspended or terminated and we could be subject to liability claims.

We compete with many other companies for the resources of these third parties. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources away from our studies. If any of our relationships with these third parties terminate, we may not be able to enter into alternative arrangements or to do so on commercially reasonable terms. As a result, delays may occur in our studies, which can materially impact our ability to meet our desired development, regulatory and commercialization timelines. There can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, results of operations, financial condition and prospects.

Performance issues, service interruptions or price increases by our shipping carriers and warehousing providers could adversely affect our business, reputation and ability to provide our products on a timely basis.

Expedited, reliable shipping and delivery services and secure warehousing are essential to our operations. We rely on providers of transport services for reliable and secure point-to-point transport of our research and diagnostic products and for tracking of these shipments, and from time to time require warehousing for our products. Should a carrier encounter delivery performance issues such as loss, damage or destruction of any systems, it would be costly to replace such systems in a timely manner and such occurrences may damage our reputation, reduce demand for our SOPHIA platform and related solutions, products and services and increase costs and expenses to our business. In addition, any significant increase in shipping or warehousing rates could adversely affect our operating margins and results of operations. Similarly, strikes, severe weather, natural disasters, civil unrest and disturbances or other service interruptions affecting delivery or warehousing services we use would adversely affect our ability to process orders for our products on a timely basis.

We rely on commercial courier delivery services to transport samples to our laboratory facility in a timely and cost-efficient manner and if these delivery services are disrupted, our business will be harmed. Disruptions in delivery service, whether due to labor disruptions, bad weather, natural disaster, civil unrest or disturbances, terrorist acts or threats or other reasons could adversely affect specimen integrity and our ability to process samples in a timely manner and to service our customers, and ultimately our reputation and our business. In addition, if we are unable to continue to obtain expedited delivery services on commercially reasonable terms, our operating results may be adversely affected.
We intend to rely on third-party distributors to realize our expansion strategy.

We offer our SOPHiA platform and related solutions, products and services through third-party distributors in various geographies. We intend to extend our presence into new geographies and further penetrate existing geographies, particularly geographies that represent largely underpenetrated opportunities such as North America, and to do so we must attract additional distributors and retain existing distributors to maximize the commercial opportunity for our platform, services and products. There is no guarantee that we will be successful in attracting or retaining desirable sales and distribution collaborators or that we will be able to enter into such arrangements on favorable terms. Most of our distribution relationships are non-exclusive and permit such distributors to distribute competing products. As such, our distributors may not commit the necessary resources to market our products to the level of our expectations or may choose to favor marketing the products of our competitors. If current or future distributors do not perform adequately or we are unable to enter into effective arrangements with distributors in particular geographies, we may not achieve revenue growth and realize our expansion strategy.

Risks Related to Our Business and Industry

We are highly dependent on our senior management team and other key personnel, and our business could be harmed if we are unable to attract and retain such personnel.

We are highly dependent on our senior management, including our Chief Executive Officer Dr. Jurgi Camblong. Our success will depend on our ability to retain senior management and to attract and retain qualified personnel in the future, including sales and marketing professionals, scientists, clinical specialists and other highly skilled personnel. The loss of members of our senior management, sales and marketing professionals, scientists, IT and data experts or clinical and regulatory specialists could result in delays in product development and commercialization and harm our business.

Our research and development programs and laboratory operations depend on our ability to attract and retain highly skilled scientists and technicians. We may not be able to attract or retain qualified scientists and technicians due to the competition for such personnel among life science businesses, particularly near our headquarters in Saint-Sulpice, Switzerland, our laboratory in Geneva, Switzerland and our locations in Boston, Massachusetts and Bidart and Bordeaux, France. We also face competition from universities and public and private research institutions in recruiting and retaining highly qualified scientific and technical personnel. We may also have difficulties locating, recruiting or retaining qualified sales people. Recruiting and retention difficulties can limit our ability to support our research and development and sales programs.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have granted and may continue to grant share-based compensation awards that vest over time. The value to employees of such awards is significantly affected by movements in our share price, and such awards may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain valuable employees, members of our management, scientific and development teams may terminate their employment with us on short notice. We do not maintain “key person” insurance policies.

Our industry is subject to rapid change, which could make our SOPHiA platform and related solutions, products and services obsolete. If we are unable to continue to innovate and improve our SOPHiA platform and related solutions, products and services, we could fail to attract new customers and expand our market share and we could lose existing customers and market share.

Our industry is characterized by rapid changes, including technological and scientific breakthroughs, frequent new product or service introductions and enhancements and evolving industry standards, all of which could
make our SOPHiA platform and related solutions, products and services and others we are developing obsolete. Our future success will depend on our ability to keep pace with the evolving needs of our customers on a timely and cost-effective basis and to pursue new market opportunities that develop as a result of scientific and technological advances.

In recent years, there have been numerous advancements in genomics and our understanding of cancer, rare diseases, cardiology, neurology, metabolism and infectious diseases. There have also been advancements in methods used to analyze very large amounts of molecular information. New technologies, including new AI/ML-powered technologies, and evolving business models in the field of precision medicine continue to develop rapidly. We must continuously enhance our offerings and develop new and improved features, applications and data modalities of our SOPHiA platform and related solutions, products and services to keep pace with scientific and industry developments. If we do not leverage or scale our database of genomic profiles or update our data analytics platform and improve our services and research and diagnostic products to reflect new scientific knowledge, including in the fields of oncology and hereditary disorders, our SOPHiA platform and related solutions, products and services could become obsolete and sales of our SOPHiA platform and related solutions, products and services could decline or fail to grow as expected. A failure to make continuous improvements to our SOPHiA platform and related solutions, products and services to keep ahead of those of our competitors could result in the loss of customers or market share.

We face competition from many sources and we may be unable to compete successfully.

As discussed in the section of this prospectus captioned “Business—Competition,” there are a number of healthcare technology companies providing bioinformatics analysis solutions, services and products in North and South America, Europe and Asia. These competitors provide AI-driven precision medicine platforms, services and research and diagnostic products to hospitals, researchers, medical personnel, laboratories and other medical facilities. Many of these organizations, particularly in the United States, are more established, possess regulatory clearances and approval, have broader or deeper relations with healthcare professionals, customers and third-party payors and have significantly greater financial and personnel resources and market share than we do. As a consequence, they may be able to spend more on product development, marketing, sales and other product initiatives than we can. Our continued success depends on our ability to:

- further penetrate the disease diagnostic solutions market and increase utilization of our SOPHiA platform and related solutions, products and services;
- maintain and widen our technology lead over competitors by continuing to innovate and deliver new product enhancements on a continuous basis;
- cost-effectively develop and improve our SOPHiA platform and related solutions, products and services; and
- add new clinically relevant features, applications and data modalities to our SOPHiA platform and related solutions, products and services, such as anatomical pathology and proteomics, and generate suitable evidence supporting the research and clinical utility of our multimodal analytical approach ahead of our competitors.

Our competitors also compete with us in recruiting and retaining qualified scientific, management and commercial personnel, as well as in acquiring technologies complementary to, or necessary for, development of our SOPHiA platform and related solutions, products and services. Because of the complex and technical nature of data-driven healthcare analysis and the dynamic market in which we compete, any failure to attract and retain a sufficient number of qualified employees could materially harm our ability to develop and commercialize our SOPHiA platform and related solutions, products and services, which would have a material adverse effect on our business, financial condition and results of operations.

32
As we attain greater commercial success, our competitors are likely to develop technology, platforms, products and services that offer features and functionality similar to ours. Improvements in existing competitive technology, platforms, products and services or the introduction of new competitive technology, platforms, products and services may make it more difficult for us to compete for sales, particularly if competitors demonstrate better accuracy, reliability, convenience or effectiveness or price their platforms, products and services less expensively.

In addition, our competitors may develop data analytics platforms and products or adopt and implement standards or technologies not compatible with our SOPHiA platform and our other services and products. This may inhibit our efforts to develop our platform, services and products in a technology-agnostic manner, which could narrow the addressable market for our SOPHiA platform and our other services and products, adversely impact their sales and market acceptance, and limit our revenue growth and potential profitability.

**Security or data privacy breaches, other unauthorized or improper access, or denial of access (e.g., ransomware) could result in additional costs, loss of revenue, significant liabilities, harm to our brand and decreased use of our SOPHiA platform and related solutions, products or services.**

In connection with various facets of our business, we collect and use a variety of personal data related to different data subjects (e.g., patients, users, agents, employees, representatives, etc.), such as identity data, contact data, profile data, technical data, health data, and genomic data. In addition, in connection with the performance of our contractual obligations and upon request from our customers and collaborators, we may access additional data, such as data available in the accounts of customers for support operations or data provided for research and development projects. Any failure to prevent or mitigate security incidents or improper access to, use, disclosure or other misappropriation of our data or customers' personal data or the inability to rightfully access any such data could result in significant liability under state (e.g., state breach notification and privacy laws such as the California Consumer Privacy Act ("CCPA")), federal (e.g., the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), collectively "HIPAA") and international laws (e.g., the General Data Protection Regulation ("GDPR")). Such an incident may also cause a material loss of revenue from the potential adverse impact to our reputation and brand, affect our ability to retain or attract new users and customers of our products and services and potentially disrupt our business.

Unauthorized disclosure of sensitive or confidential patient or employee data, including personally identifiable information, whether through a breach of computer systems, systems failure, employee negligence, fraud or misappropriation, or otherwise, or unauthorized access to or through our information systems and networks, whether by our employees or third parties, could result in negative publicity, legal liability and damage to our reputation. Unauthorized disclosure of personally identifiable information could also expose us to sanctions for violations of data privacy laws and regulations around the world. To the extent that any disruption or security incident resulted in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our products or services could be delayed.

As we become more dependent on information technologies, to conduct our operations, cyber incidents, including deliberate attacks and attempts to gain unauthorized access to computer systems and networks, may increase in frequency and sophistication. These threats pose a risk to the security of our systems and networks, the confidentiality and the availability and integrity of our data, and these risks apply both to us (including via our corporate systems and any employees that may be working remotely, in part due to the COVID-19 pandemic) and to third parties on whose systems we rely for the conduct of our business. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we and our collaborators may be
unable to anticipate these techniques or to implement adequate preventative measures. We may in the future experience security incidents. In particular, we may be subject to security incidents as we continue to adapt and upgrade our platform architecture. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology and cybersecurity infrastructure, we could suffer significant business disruption, data loss or the loss of or damage to intellectual property or other proprietary information. While no security incidents in the past have had a material adverse effect on our business, financial condition and results of operations, we cannot predict the impact of any such future events. Further, although we are obligated under certain laws and regulations to ensure that our platform, systems and servers and those of our service providers remain compliant with the relevant legal requirements with respect to data privacy and security, we do not have any control over the operations of the facilities or technology of such providers, including any third-party vendors that collect, process and store personal data on our behalf. Our platform, systems and servers and those of our service providers may be vulnerable to computer viruses or physical or electronic break-ins that our or their security measures may not detect, including via supply chain attacks. Individuals able to circumvent such security measures may misappropriate our confidential or proprietary information, disrupt our operations, damage our computers or otherwise impair our reputation and business. We may need to expend significant resources and make significant capital investments to protect against security breaches or to mitigate the impact of any such breaches. In addition, to the extent that our platform, systems and servers and those of our service providers experience security breaches that result in the unauthorized or improper use of confidential data, employee data or personal data, we may not be indemnified for any losses resulting from such breaches. There can be no assurance that we or our third-party providers will be successful in preventing cyberattacks or successfully mitigating their effects. If we are unable to prevent or mitigate the impact of such security breaches, our ability to attract and retain new customers, patients and other collaborators could be harmed as they may be reluctant to entrust their data to us, and we could be exposed to litigation and governmental investigations, proceedings and regulatory actions by federal, state and local regulatory entities in the United States and by international regulatory entities, and we could breach our contractual obligations, all of which could result in significant legal and financial exposure and reputational damages and lead to a potential disruption to our business or other adverse consequences.

If we experience significant disruptions in our information technology systems, our business may be adversely affected.

We depend on our information technology systems for the efficient functioning of our business, including the performance, distribution and maintenance of our SOPHiA platform and related solutions, products and services, as well as for accounting, data storage, compliance, purchasing and inventory management, and our continued growth is dependent on our ability to adapt and upgrade our platform architecture without suffering significant business disruption, data loss or the loss of or damage to intellectual property or other proprietary information. Our information technology systems may fail and are vulnerable to breakdown, breach, interruption or damage from computer viruses, ransomware or other malware, attacks by computer hackers, including sophisticated nation-state and nation-state-supported actors, employee error or malfeasance, theft or misuse, failures during the process of upgrading or replacing software, databases or components thereof, power outages, damage or interruption from fires or other natural disasters, hardware failures, telecommunication failures and user errors, among other malfunctions. We could be subject to an unintentional event that involves a third party gaining unauthorized access to our systems, which could disrupt our operations, corrupt our data or result in release of our confidential information. Technological interruptions would disrupt our operations, including our ability to timely ship and track diagnostic test orders and results, project inventory requirements, manage our supply chain and otherwise adequately service our customers or disrupt our customers’ ability to use our products and services. In the event we experience significant disruptions, we may be unable to repair our systems in an efficient and timely manner. Accordingly, such events
may disrupt or reduce the efficiency of our entire operation and have a material adverse effect on our business, financial condition and results of operations.

Currently, we carry business interruption coverage to mitigate certain potential losses, but this insurance is limited in amount and there can be no assurance that such potential losses will not exceed our policy limits. The successful assertion of one or more large claims against us that exceed or are not covered by our insurance coverage, or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, financial condition and results of operations. Further, such insurance may not cover all potential claims to which we are exposed. We are increasingly dependent on complex information technology to manage our infrastructure. Our information systems require an ongoing commitment of significant resources to maintain, protect and enhance our existing systems. Failure to maintain or protect our information systems and data integrity effectively could have a material adverse effect on our business, financial condition and results of operations.

A pandemic, epidemic or outbreak of an infectious disease in Switzerland, the United States or worldwide, including the outbreak of the novel strain of coronavirus disease, COVID-19, could adversely affect our business.

If a pandemic, epidemic or outbreak of an infectious disease occurs in Switzerland, the United States or worldwide, our business may be adversely affected. COVID-19 has spread to most countries and throughout Switzerland and the United States. Numerous jurisdictions have imposed, and others in the future may impose, “shelter-in-place” orders, quarantines, executive orders and similar government orders and restrictions for their residents to control the spread of COVID-19. Such orders or restrictions have resulted in reduced operations at our headquarters, work stoppages, slowdowns and delays, travel restrictions and cancellation of events. Other disruptions or potential disruptions include the inability of our suppliers and manufacturers to manufacture and deliver components and products on a timely basis; disruptions in our research and development schedules; disruptions in our ability to provide customer support; delays in actions of regulatory bodies; diversion of or limitations on employee resources that would otherwise be focused on the operations of our business; business adjustments or disruptions of medical institutions and clinical investigators with whom we conduct business; and additional government requirements or other incremental mitigation efforts that may further impact the supply, manufacture and delivery of our products. In addition, the COVID-19 pandemic may result in restricted access to reference and specialty laboratories, prioritization of COVID-19-related testing at the expense of non-COVID-19 analysis and potential supply bottlenecks, in particular with respect to consumables, reagents and other products shared between NGS and COVID-19 testing or COVID-19 vaccination. For example, we may face a shortage of dry ice and other materials which are essential to delivering our products to our customers due to the increased demand for such products because of the COVID-19 vaccination distribution, COVID-19 testing and COVID-19 antibody development.

The COVID-19 pandemic has negatively affected our non-COVID-19 analysis-related revenue. Certain of our customers have experienced, and may in the future experience, operational disruptions within their organizations, economic disruptions and delays in clinical trial enrollment and have prioritized combating COVID-19, which have resulted in delayed or canceled orders of our solutions, products and services. As a result, we observed a significant decrease in analysis volume generated on our SOPHiA platform of 32% in the second quarter of 2020, as compared to the prior quarter. Although we have seen a sustained recovery during the remainder of 2020, we believe that we experienced lower customer acquisition and revenue growth in 2020 as a result of the COVID-19 pandemic than we otherwise would have achieved.

The extent to which the COVID-19 pandemic impacts our business will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity and spread of COVID-19 and the actions to contain COVID-19, including any actions that affect or limit testing and diagnostic procedures. While the potential impact brought by, and the duration of, any pandemic, epidemic or
outbreak of an infectious disease, including COVID-19, may be difficult to assess or predict, the COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets and a reduction in our ability to access capital, which could adversely affect our liquidity. In addition, a recession or market correction resulting from the spread of an infectious disease, including COVID-19, could materially affect our business. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

If our laboratory facility becomes damaged or inoperable or we are required to vacate our existing facilities, our ability to conduct our laboratory processes and analysis and pursue our research and development efforts may be jeopardized.

We operate a laboratory facility located in Geneva, Switzerland. Our facility and equipment could be harmed or rendered inoperable by natural or man-made disasters, including war, fire, earthquake, power loss, communications failure or terrorism, which may render it difficult or impossible for us to operate our platform for some period of time. The inability to perform our laboratory processes or to reduce the backlog that could develop if our facilities are inoperable, for even a short period of time, may result in the loss of customers or harm to our reputation, and we may be unable to regain those customers or repair our reputation in the future.

Furthermore, our facility and the equipment we use to perform our research and development work could be unavailable or costly and time-consuming to repair or replace, which may increase backlog. It would be difficult, time-consuming and expensive to rebuild our facility, to locate new facilities or license or transfer our proprietary technologies to a third party.

We carry insurance for damage to our property, but this insurance may not cover all of the risks associated with damage, may not provide coverage in amounts sufficient to cover our potential losses and may not continue to be available to us on acceptable terms, if at all.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit or halt the marketing and sale of our SOPHiA platform and related solutions, products and services.

We face an inherent risk of product liability as a result of the marketing and sale of our SOPHiA platform and related solutions, products and services and the testing of our SOPHiA platform in clinical studies. For example, we may be sued if our NGS test kits cause or are perceived to cause injury, provide inaccurate or incomplete information or are found to be otherwise unsuitable during manufacturing, marketing or sale. Any such product liability claim may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. In addition, we may be subject to claims against us even if the apparent injury is due to the actions of others or the preexisting health of the patient. If medical personnel, care collaborators or patients who operate our research and diagnostic products are not properly trained, are negligent or use our research and diagnostic products incorrectly, the capabilities of such products may be diminished or the patient may suffer injury. If we sponsor interventional clinical studies of our SOPHiA platform in the future, our risk of being subject to product liability lawsuits may be heightened.

If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit or halt the marketing and sale of our products. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- delays in obtaining necessary regulatory clearances or approvals;
- decreased demand for our SOPHiA platform and related solutions, products and services;
- harm to our reputation;
We believe that we have adequate product liability insurance, but it may not prove to be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain or obtain insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise. Our insurance policy contains various exclusions, and we may be subject to a product liability claim for which we have no coverage. The potential inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or inhibit the marketing and sale of our products and services. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts, which would have a material adverse effect on our business, financial condition and results of operations. In addition, any product liability claims brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing continuing coverage, harm our reputation in our industry, significantly increase our expenses and reduce sales.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the price of our ordinary shares.

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

In connection with the preparation of our consolidated financial statements and audit process for the years ended December 31, 2019 and December 31, 2020, we and our independent registered public accounting firm have identified material weaknesses in our internal controls related to financial reporting. For each of the fiscal years ended December 31, 2019 and 2020, we have determined that we did not:

- design or maintain an effective control environment commensurate with our financial reporting requirements due to lack of sufficient accounting professionals with the appropriate level of skill, experience and training. Specifically, we lack sufficient financial reporting and accounting personnel with appropriate knowledge of IFRS to address complex technical accounting issues and to prepare consolidated financial statements and related disclosures;
- design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, year-end reporting and disclosures, including controls over the preparation and review of account reconciliations, journal entries and period end financial reporting; and
design and maintain effective controls over certain information technology general controls for IT systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain: (a) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate personnel, (b) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately, and (c) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

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

In addition, as an emerging growth company, we currently are not required to comply with Section 404 of the Sarbanes-Oxley Act. As a result, neither our management nor an independent registered public accounting firm has performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act.

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

Our internal controls over financial reporting and our disclosure controls and procedures in the past have not prevented all errors and fraud and in the future may not prevent all errors and fraud.

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of a control system reflects resource constraints, which requires management to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Further, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management’s override of the control. The design of our system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

For example, in August 2020, we received a whistleblower complaint that certain members of our finance team were requested to increase revenues by recording uncollected revenues of $2.0 million in the aggregate for unused minimum volume commitments for two contracts with customers of our U.S. subsidiary for the years ended December 31, 2019 and 2020. The whistleblower complaint raised concerns as to whether these minimum volume commitments could be contractually enforced and collected. We commissioned an independent external forensic review of this whistleblower complaint. In light of the findings of this review, the chair of our audit committee recommended to our chief executive officer to reverse all revenues related to those two contracts for uncollected minimum volume commitments recorded in our U.S. subsidiary's financial statements for the years ended December 31, 2019 and 2020, which recommendation was implemented. The
revenue reversals were recorded prior to the finalization of our consolidated financial statements prepared in accordance with IFRS that are included in this prospectus. Our then-chief financial officer left the company in February 2021.

We have undertaken steps to strengthen our internal controls over financial reporting, including (i) the hiring of a new chief financial officer, (ii) the hiring of additional personnel and external advisors to support our finance function and improve internal controls over financial reporting, (iii) formalization of revenue recognition policy to clarify the accounting treatment for minimum volume commitments and (iv) enhanced training on our systems, policies and procedures and our whistleblower policy. However, there can be no assurance that our control systems can prevent all errors or fraud.

**Litigation and other legal proceedings may adversely affect our business.**

From time to time, we may become involved in legal proceedings relating to patent and other intellectual property matters, product liability claims, employee claims, tort or contract claims, regulatory investigations, securities class action and other legal proceedings or investigations, which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. Litigation is inherently unpredictable and can result in excessive or unanticipated verdicts and/or injunctive relief that affect how we operate our business. We could incur judgments or enter into settlements of claims for monetary damages or for agreements to change the way we operate our business, or both. There may be an increase in the scope of these matters or there may be additional lawsuits, claims, proceedings or investigations in the future, which could have a material adverse effect on our business, financial condition and results of operations. Adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine our customers’ confidence and reduce long-term demand for our products and services, even if the regulatory or legal action is unfounded or not material to our operations.

**Our business is subject to economic, political, regulatory and other risks associated with international operations.**

Our results could be adversely affected by a variety of risks associated with our international operations, including economic weakness, such as inflation, or political instability in economies and markets; global trends towards pharmaceutical pricing; differing regulatory requirements for bioinformatics analysis services and research and diagnostic products approvals; differing reimbursement, pricing and insurance regimes; potentially reduced protection for, and complexities and difficulties in obtaining, maintaining, protecting and enforcing, intellectual property rights; difficulties in compliance with U.S. and non-U.S. laws and regulations, including data security and data protection laws, which may result in increased compliance costs to us, and anti-corruption and anti-bribery laws; changes in regulations and customs, tariffs and trade barriers; changes in currency exchange rates and currency controls; changes in a specific country's or region's political or economic environment; trade protection measures, economic sanctions and embargoes on certain countries and persons, import or export licensing requirements or other restrictive actions by governments, including with respect to our products and services, in particular IT solutions, services and technologies on which our operations rely; changes in tax laws; compliance with tax, employment, immigration and labor laws for employees living or traveling abroad; workforce uncertainty in countries where labor unrest is more common than in Switzerland and the United States; difficulties associated with staffing and managing international operations, including differing labor relations; production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires; and the impact of public health epidemics on employees and the global economy, such as the COVID-19 pandemic. Any of these factors could require us to modify our business plans and strategy and significantly harm our future international expansion and operations and, consequently, our revenue and results of operations.
Risks Related to Governmental Regulation

Currently our products in the United States are labeled as RUO. We intend to seek regulatory clearance or approval to offer our products as IVD products for diagnostic use. We cannot guarantee when, if at all, we will apply for regulatory clearance or approval or that we will be successful in obtaining such clearances or approvals.

While we have several CE-IVD products, our currently available products in the United States are labeled as RUO products and are not intended for diagnostic use. Although we have focused initially on the RUO products only, our strategy is to expand our product line to encompass products that are intended to be used as IVDs. Such IVD products will be subject to regulation by the FDA as medical devices, including requirements for regulatory clearance or approval of such products before they can be marketed. Accordingly, we will be required to obtain FDA 510(k) clearance or premarket approval (“PMA”) in order to sell our products in a manner consistent with FDA laws and regulations. Such regulatory approval processes or clearances are expensive, time-consuming and uncertain; our efforts may never result in any premarket approval or 510(k) approval or clearance for our products; and failure by us to obtain or comply with such approvals and clearances could have an adverse effect on our business, financial condition or operating results.

Regulatory authorities have substantial discretion in the approval process. They may refuse to accept any application or may decide that our data are insufficient for approval and require additional studies. Therefore, even if we believe the data collected from studies of our platform are promising, such data may not be sufficient to support approval by any regulatory authority. If we are required to conduct additional studies or other testing of any of our platform beyond those we contemplate, we may incur significant additional costs and regulatory approval may be delayed or prevented. Furthermore, approval by one regulatory authority does not ensure approval by regulatory authorities in other jurisdictions, and we may be required to undertake additional studies to access particular markets.

If we successfully obtain such approvals, we will be subject to a substantial number of additional requirements for medical devices, including establishment registration, device listing, and Quality Systems Regulations (“QSRs”) which cover the design, testing, production, control, quality assurance, labeling, packaging, servicing, sterilization (if required), and storage and shipping of medical devices (among other activities), product labeling, advertising, record keeping, post-market surveillance, post-approval studies, adverse event reporting, and correction and removal (recall) regulations. We may be required to expend significant resources to ensure ongoing compliance with the FDA regulations and/or take satisfactory corrective action in response to enforcement action, which may have a material adverse effect on the ability to design, develop and commercialize products using our technology as planned. Failure to comply with these requirements may subject us to a range of enforcement actions, such as warning letters, injunctions, civil monetary penalties, criminal prosecution, recall and/or seizure of products, and revocation of marketing authorization, as well as significant adverse publicity. If we fail to obtain, or experience significant delays in obtaining, regulatory approvals for IVD or other products, such products may not be able to be launched or successfully commercialized in a timely manner, or at all.

Laboratory developed tests (“LDTs”) are a subset of IVD tests that are designed, manufactured and used within a single laboratory. The FDA maintains that LDTs are medical devices and has for the most part exercised enforcement discretion for most LDTs. A significant change in the way that the FDA regulates any LDTs that our customers develop using our RUO components could affect our business. If the FDA requires laboratories to undergo premarket review and comply with other applicable FDA requirements in the future, the cost and time required to commercialize an LDT will increase substantially, and may reduce the financial incentive for laboratories to develop LDTs, which could reduce demand for our RUO products.
We develop products for clinical laboratories, which may be qualified as LDTs, as well as market RUO products. Our customer may
decide to validate our products to use as an LDT, which will be covered under Clinical Laboratory Improvement Amendments of
1988 (“CLIA”) and CMS, although future developments may cause us to be subject to additional FDA requirements.

The laws and regulations governing the marketing of diagnostic products are evolving, extremely complex and in many instances, there are
no significant regulatory or judicial interpretations of these laws and regulations. Pursuant to its authority under the Federal Food, Drug, and
Cosmetic Act (the “FDCA”), the FDA has jurisdiction over medical devices, including in vitro diagnostics and, therefore, potentially our
diagnostic products.

Pursuant to the FDCA and its implementing regulations, the FDA regulates the research, testing, manufacturing, safety, labeling, storage,
record keeping, premarket clearance or approval, marketing and promotion, and sales and distribution of medical devices in the United States
to ensure that medical products distributed domestically are safe and effective for their intended uses. Although the FDA has asserted that it
has authority to regulate the development and use of LDTs, such as our and many other laboratories’ tests, as medical devices, it has
generally exercised enforcement discretion and is not otherwise regulating most tests developed and performed within a single high-
complexity CLIA-certified laboratory. The FDA could, at any time, change its policy with regard to this matter or the U.S. Congress could take
action to amend the law to change the current regulatory framework for in vitro diagnostics and LDTs.

We currently do not offer any diagnostic products in the United States. We believe that our research products, as utilized in clinical
laboratories by our customers, are and would be considered LDTs and that as a result, the FDA does not require that they obtain regulatory
clearances or approvals for the LDTs or their components pursuant to the FDA’s current policies and guidance. Although we believe that our
products and test components delivered to our customers, when validated as LDTs, are either exempt from FDA medical device regulations or
are subject to an enforcement discretion policy, it is possible that the FDA would not agree with these determinations or that the FDA will
change its regulations and policies such that our products become regulated as medical devices.

In addition, changes in the current regulatory framework for diagnostic products and services can impose additional regulatory burdens on us.
For example, the FDA’s Center for Devices and Radiological Health is currently considering a total product lifecycle-based regulatory
framework for AI/ML technologies. On January 12, 2021, the FDA released its Artificial Intelligence/Machine Learning-Based Software as a
Medical Device Action Plan. As the regulatory framework evolves, we may incur substantial costs to ensure compliance with new or amended
laws and regulations. Failure to comply with any of these laws and regulations could result in enforcement actions against us, damage to our
reputation and loss of goodwill, any of which could have a material adverse effect on our business.

Our operations, therefore, are or may become subject to extensive regulation by the FDA in the United States, the EMA in the EU and in other
jurisdictions in which we conduct business. Government regulations specific to medical devices are wide-ranging and govern, among other things:

- test design, development, manufacture, and release;
- laboratory and clinical testing, labeling, packaging, storage and distribution;
- product safety and efficacy;
- premarketing clearance or approval;
- service operations;
- record keeping;
• product marketing, promotion and advertising, sales and distribution;
• post-marketing surveillance, including reporting of deaths or serious injuries, recalls, correction and removals;
• post-market approval studies; and
• product import and export.

The FDA, the EMA and U.S. state authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by any such agency, which may include any of the following sanctions:

• adverse publicity, warning letters, untitled letters, “it has come to our attention” letters, fines, injunctions, consent decrees and civil penalties;
• repair, replacement, refunds, recall or seizure of our products;
• operating restrictions, partial suspension or total shutdown of production;
• denial of our requests for regulatory clearance or PMA of new products, new intended uses or modifications to existing products;
• withdrawal of regulatory clearance or PMA that have already been granted; or
• criminal prosecution.

As discussed above, although we believe that our current line of products and their components, as utilized in clinical laboratories by our customers, are LDTs, subject to state licensing requirements and federal regulation by CMS under CLIA, it is possible that the FDA or comparable regulatory authorities would not agree with our determinations. If our products become subject to 510(k) or other similar FDA regulations, we would need to comply with the applicable regulations or face significant civil and criminal penalties. Exposure to these additional regulatory requirements would also affect our business, financial condition and results of operations.

**Failure to comply with federal, state, and foreign laboratory licensing requirements if we begin to provide diagnostic products in the United States could result in significant penalties and materially adversely affect our operations.**

CLIA is a federal law that regulates clinical laboratories that perform testing on specimens derived from humans for the purpose of providing information for the diagnosis, prevention, or treatment of disease, or impairment of, or the assessment of the health of, human beings. CLIA regulations require, among other things, clinical laboratories to obtain a certificate and mandate specific standards in the areas of personnel qualifications, administration, participation in proficiency testing, test management, and quality assurance. In addition to federal certification requirements of laboratories under CLIA, CLIA provides that states may adopt laboratory regulations and licensure requirements that are more stringent than those under federal law. A number of states have implemented their own licensure and more stringent laboratory regulatory requirements. Such laws, among other things, establish standards for the day-to-day operation of a clinical laboratory, including the training and skills required of personnel and quality control. Failure to comply with CLIA and applicable state clinical laboratory licensure requirements may result in a range of enforcement actions, including license suspension, limitation, or revocation, directed plan of action, onsite monitoring, civil monetary penalties, and criminal sanctions as well as significant adverse publicity.

Based on our current scope of operations, we do not currently operate a CLIA-certified laboratory and our customers are responsible for their own CLIA certification. However, if we begin to provide diagnostic products in the United States, we will become subject to such requirements.
We may fail to obtain required clearances or approvals in additional jurisdictions for any of our products or services and, even if we do, we may never be able to commercialize them in additional jurisdictions, which would limit our ability to realize their full market potential.

While we currently have operations in 70 countries, in order to eventually market any of our current or future products and services in any particular jurisdiction, we must establish and comply with numerous and varying regulatory requirements on a jurisdiction-by-jurisdiction basis regarding quality, safety, performance and efficacy. In addition, regulatory clearance, authorization or approval in one country does not guarantee regulatory clearance, authorization or approval in any other country. For example, the performance characteristics of our products and services may need to be validated separately in specific ethnic and genetic populations. Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods.

Seeking regulatory clearance, authorization or approval could result in difficulties and costs. Regulatory requirements and ethical approval obligations can vary widely from country to country and could delay or prevent the introduction of our products and services in those countries. We have no experience in obtaining regulatory clearance, authorization or approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required regulatory clearances, authorizations or approvals in international markets, or if those approvals are delayed, our target market will be reduced and our ability to realize the full market potential of our products and services will be unrealized.

Our products or services may be subject to product or service recalls in the future. A recall of products or services, either voluntarily or at the direction of a regulatory authority, or the discovery of serious safety issues with our products or services, could have a significant adverse impact on us.

Regulatory authorities can require the recall of commercialized products or services that are subject to its regulation. Manufacturers may, under their own initiative, recall a product or service if any deficiency is found. For reportable corrections and removals, companies are required to make additional periodic submissions to the regulatory authorities after initiating the recall, and often engage with the regulatory authorities on their recall strategy prior to initiating the recall. A government-mandated or voluntary recall by us or one of our distributors could occur as a result of an unacceptable health risk, component failures, failures in laboratory processes, malfunctions, manufacturing errors, design or labeling defects, or other deficiencies and issues. Recalls of any of our commercialized products or services would divert managerial and financial resources and adversely affect our business, results of operations, financial condition and reputation. We may also be subject to liability claims, be required to bear other costs or take other actions that may negatively impact our future sales and our ability to generate profits. Companies are also required to maintain certain records of corrections and removals, even if these do not require reporting to the regulatory authorities. We may initiate voluntary recalls involving our commercialized products or services, including kits offered as part of “bundle” solutions. A recall announcement by us could harm our reputation with customers and negatively affect our business, financial condition and results of operations. In addition, the FDA or another agency could take enforcement action for failing to report the recalls when they were conducted.

If we initiate a recall, including a correction or removal, for one of our commercialized products or services, issue a safety alert, or undertake a field action or recall to reduce a health risk, this could lead to increased scrutiny by the FDA, other governmental and regulatory enforcement bodies, and our customers regarding the quality and safety of our products and services, and to negative publicity, including FDA alerts, press releases, or administrative or judicial actions. Furthermore, the submission of these reports could be used against us by competitors and cause customers to delay purchase decisions or cancel orders, which would harm our reputation.
We are subject to stringent privacy and information security laws and regulations and changes in such laws and regulations could adversely affect our business.

We are subject to numerous state, federal and foreign laws and regulations that govern the collection, transmission, storage, dissemination, use, privacy, confidentiality, security, availability, integrity and other processing of individually identifiable information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement actions against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business.

There is ongoing concern from privacy advocates, regulators and others regarding data privacy and security issues, and the number of jurisdictions with data privacy and security laws has been increasing. Also, there are ongoing public policy debates regarding whether the standards for de-identification, anonymization or pseudonymization of health information are sufficient, and the risk of re-identification sufficiently small, to adequately protect patient privacy. In particular, there are numerous U.S. federal and state laws and regulations related to the privacy and security of personal information. These laws and regulations include HIPAA, which establishes a set of national privacy and security standards for the protection of protected health information ("PHI") by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services as well as their covered subcontractors. HIPAA requires covered entities and business associates to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical and technical safeguards to protect such information and ensure the confidentiality, integrity and availability of electronic PHI. For instance, we offer private cloud-based software to help medical personnel and laboratories more efficiently use our products. The software maintains security safeguards that are designed to be consistent with HIPAA, but we cannot guarantee that these safeguards will not fail or that they will not be deemed inadequate in the future. In addition, we could be subject to periodic audits for compliance with the HIPAA Privacy and Security Standards by the HHS and our customers. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims. The United States Office of Civil Rights may impose penalties for HIPAA violations. Penalties will vary significantly depending on factors such as the date of the violation, whether the covered entity knew or should have known of the failure to comply, or whether the covered entity’s failure to comply was due to willful neglect. These penalties include civil monetary penalties per violation, up to an annual cap. However, a single breach incident can result in violations of multiple standards. A person who knowingly obtains or discloses individually identifiable health information in violation of HIPAA may face a criminal penalty and imprisonment up to one year. The criminal penalties are greater and up to five years' imprisonment if the wrongful conduct involves false pretenses, and even higher and up to 10 years’ imprisonment if the wrongful conduct involves the intent to sell, transfer or use identifiable health information for commercial advantage, personal gain or malicious harm. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts may award damages, costs and attorneys’ fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. Furthermore, in the event of a breach as defined by HIPAA, the covered entity has specific reporting requirements under HIPAA. In the event of a significant breach, the reporting requirements could include notification to the general public. Enforcement activity can result in reputational harm, and responses to such enforcement activity can consume significant internal resources. Additionally, if we are unable to properly protect the privacy and security of PHI, we could
be found to have breached our contracts. Determining whether PHI has been handled in compliance with applicable privacy standards and our contractual obligations can be complex, and we cannot be sure how these regulations will be interpreted, enforced or applied to our operations.

In addition, many states in which we operate have laws that protect the privacy and security of sensitive and personal information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the CCPA, which increases privacy rights for California residents and imposes stringent data privacy and security obligations on companies that process their personal information, came into effect on January 1, 2020. Among other things, the CCPA requires covered companies to provide new disclosures to California consumers and provide such consumers new data protection and privacy rights, including the ability to opt out of certain sales of personal information and imposes new operational requirements for covered businesses. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. On November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act (the “CPRA”), which significantly modifies the CCPA, including by expanding consumers’ rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. Many of the CPRA’s provisions will become effective on January 1, 2023. In addition, new legislation or constitutional amendments proposed or enacted in various states impose, or have the potential to impose, additional obligations on companies that collect, store, use, retain, disclose, transfer and otherwise process confidential, sensitive and personal information, and will continue to shape the data privacy environment nationally. For example, Virginia enacted the Consumer Data Privacy Act (the “CDPA”), which has general similarities to the CPRA and goes into effect on January 1, 2023. State laws are changing rapidly and there is discussion in the U.S. Congress of a new federal data protection and privacy law to which we would become subject if it is enacted. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time, may require us to modify our data processing practices and policies, divert resources from other initiatives and projects, and could restrict the way products and services involving data are offered, all of which may have a material and adverse impact on our business, financial condition and results of operations.

Outside of the United States, laws, regulations and standards in many jurisdictions, including data localization and storage requirements, apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information, which impose significant compliance obligations. For example, in the EU and the European Economic Area (the “EEA”), the collection, use and other processing of personal data, is governed by the GDPR, which became effective in May 2018. The GDPR greatly increased the European Commission’s jurisdictional reach of its laws and imposed more stringent data privacy and security requirements on companies in relation to the processing of personal data of EU data subjects, including, for example, requirements to establish a legal basis for processing, higher standards for obtaining consent from individuals to process their personal data, including sensitive data such as health or genomic information, more robust disclosures to individuals and a strengthened individual data rights regime, requirements to implement safeguards to protect the security and confidentiality of personal data that requires the adoption of administrative, physical and technical safeguards, shortened timelines for data breach notifications to appropriate data protection authorities or data subjects, limitations on retention and secondary use of information, increased requirements pertaining to health data and additional obligations when we contract third-party processors in connection with the processing of the personal data. EU and EEA member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to and/or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU and
EEA member states governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, the transfer of personal data out of the EEA, security breach notifications and the security and confidentiality of personal data. The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater, and other administrative penalties.

Further, the exit of the United Kingdom (the "UK") from the EU, often referred to as Brexit, has created uncertainty with regard to data protection regulation in the UK. Specifically, the UK exited the EU on January 1, 2020, subject to a transition period that ended December 31, 2020. The UK has transposed the GDPR into domestic law, with its version of the GDPR that took effect on January 1, 2021, which could expose us to two parallel regimes, each of which potentially authorizes similar fines for certain violations. In Switzerland, the collection and processing of personal data is governed by the Swiss Federal Act on Data Protection (the “FADP”). The revised FADP is expected to enter into force in 2022. The FADP provides for data protection principles that are substantially similar to those applied under the GDPR, and the FADP also applies to collection and processing of personal data outside of Switzerland. While the current FADP authorizes certain criminal fines of up to CHF 10,000, the revised FADP will authorize criminal fines for certain violations of up to CHF 250,000. Such fines are mainly imposed upon the individual responsible for the violation. However, the revised FADP also authorizes fines of up to CHF 50,000 on the responsible data controller or processor. Fines under the FADP may be imposed in addition to fines under other data protection regimes. For more information on the FADP, see “Business—Government Regulation—Data Privacy and Security—General Data Protection Regulation and Other Foreign Laws and Regulations.”

Although there are legal mechanisms to allow for the transfer of personal data from the EEA, Switzerland and the UK to the United States, uncertainty remains about such mechanisms. For example, legal challenges in the EU and EEA to the mechanisms that allow companies to transfer personal data from the EU and EEA to the United States could result in further limitations on the ability to transfer personal data across borders, particularly if governments are unable or unwilling to reach new or maintain existing agreements that support cross-border data transfers. Specifically, on July 16, 2020, in a case known as Schrems II, the Court of Justice of the European Union, invalidated the European Commission’s Decision 2016/1250 on the adequacy of the protection provided by the EU-U.S. Privacy Shield. Although we rely on the primary alternatives to the EU-U.S. Privacy Shield, namely, the European Commission’s Standard Contractual Clauses, for cross-border data transfers from the EU to the United States and other jurisdictions, Schrems II also raised questions about whether the Standard Contractual Clauses can lawfully be used for such data transfers. Use of the Standard Contractual Clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular regarding applicable surveillance laws and relevant rights of individuals with respect to the transferred data. At present, there are few, if any, viable alternatives to the EU-U.S. Privacy Shield and the Standard Contractual Clauses. Inability to transfer personal data from the EU, EEA, Switzerland or the UK to the United States may restrict our research and development activities in these territories and limit our ability to offer products and services we may develop. Similar restrictions of cross-border data transfer apply to Switzerland, where the Swiss Federal Data Protection and Information Commissioner (the “FDPIC”) considers that the CH-U.S. Privacy Shield does not provide an adequate level of data protection.

We expect that there will continue to be new proposed laws and regulations concerning data privacy and security, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. New laws, amendments to or reinterpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of health-related and data protection laws, regulations, standards and other
obligations are still uncertain, and often contradictory and in flux, it is possible that the scope and requirements of these laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business. In addition, these privacy regulations may differ from country to country, and may vary based on whether testing is performed in the United States or in the local country, and our operations or business practices may not comply with these regulations in each country.

In addition to the possibility of fines, sanctions, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in additional cost and liability to us, harm our reputation and brand, damage our relationships with customers and have a material and adverse impact on our business.

Any failure to comply with our privacy policies or contractual or statutory notification obligations could result in significant liability or reputational harm.

We make public statements about our use and disclosure of personal information through our privacy policy, information provided on our internet platform and press statements. Although we endeavor to comply with our public statements and documentation, we may be alleged to have failed to do so. The publication of our privacy policy and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unlawful, unfair or misrepresentative of our actual practices. Any failure, real or perceived, by us to comply with our posted privacy policies or with any legal or regulatory requirements, standards, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us could cause our customers to reduce their use of our products and services and could materially and adversely affect our business, financial condition and results of operations. In many jurisdictions, enforcement actions and consequences for noncompliance can be significant and are rising. In addition, from time to time, concerns may be expressed about whether our products, services or processes compromise the privacy of customers and others. Concerns about our practices with regard to the collection, use and reuse, retention, security, disclosure, transfer and other processing of personal information or other privacy-related or security-related matters, even if unfounded, could damage our reputation and materially and adversely affect our business, financial condition and results of operations.

Many statutory requirements, both in the United States and abroad, include obligations for companies to notify individuals of security breaches involving certain personal information, which could result from breaches experienced by us or our third-party service providers. For example, laws in all 50 U.S. states and the District of Columbia require businesses to provide notice to consumers whose personal information has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We also may be contractually required to notify customers or other counterparties of a security breach. Although we may have contractual protections with our third-party service providers, contractors and consultants, any actual or perceived security breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have
Our operations may subject us to various healthcare laws and regulations and could face substantial penalties if we are unable to fully comply with such laws.

Our operations may subject us to health care regulation and enforcement by both the federal government and the states and foreign jurisdictions in which we conduct our business. Various federal and state laws, as well as the laws of foreign countries, prohibit payments to induce the referral, purchase, order or use of healthcare products or services and require medical device companies to limit, prevent, and/or monitor and report certain payments to third-party payors, healthcare professionals and other individuals. These healthcare fraud and abuse anti-kickback, public reporting and aggregate spend laws affect our sales, marketing and other promotional activities by limiting the kinds of financial arrangements, including sales programs, we may have with providers, hospitals, medical personnel or other potential purchasers or users, including patients, of medical devices and services. They also impose additional administrative and compliance burdens on us. In particular, these laws influence, among other things, how we structure our sales offerings, including discount practices, customer support, education and training programs, and physician consulting and other service arrangements. These laws prohibit certain marketing initiatives that are commonplace in other industries. If we were to offer or pay inappropriate inducements for the purchase, order or use of our SOPHiA platform and related solutions, products and services or our services, or our arrangements are perceived as inappropriate inducements, we could be subject to claims under various healthcare fraud and abuse laws. Restrictions under applicable U.S. federal and state healthcare laws and regulations include the following:

- the federal Anti-Kickback Statute (the “AKS”), which prohibits, among other things, persons or entities from soliciting, receiving, offering or providing remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in return for, or to induce, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or services for which payment may be made under a federal healthcare program such as the Medicare and Medicaid programs;
- the federal physician self-referral prohibition, commonly known as the Stark Law, which prohibits physicians from referring Medicare or Medicaid patients to providers of “designated health services” with whom the physician or a member of the physician's immediate family has an ownership interest or compensation arrangements, unless a statutory or regulatory exception applies;
- the federal Eliminating Kickbacks in Recovery Act of 2018 (the “EKRA”) prohibits payments for referrals to recovery homes, clinical treatment facilities, and laboratories. EKRA's reach extends beyond federal health care programs to include private insurance (i.e., it is an “all payor” statute). The full scope of such law is uncertain and is subject to a variety of interpretations;
- HIPAA, which established additional federal civil and criminal liability for, among other things, knowingly and willfully executing a scheme to defraud any healthcare benefit program or making false statements in connection with the delivery of or payment for healthcare benefits, items or services;
- HIPAA, as amended by HITECH and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information;
- federal false claims and civil monetary penalties laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, false or fraudulent claims for payment to the federal government;
- the federal Physician Payments Sunshine Act requirements under the ACA, which require certain manufacturers of drugs, devices, biologics and medical supplies to report to CMS information related to
payments and other transfers of value made to or at the request of physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and certain ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding its payments and other transfers of value to physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives during the previous year; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

Further, the ACA, among other things, amended the intent requirement of the federal AKS and certain criminal healthcare fraud statutes. Where the intent requirement has been lowered, a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the government may now assert that a claim including items or services resulting from a violation of the federal AKS constitutes a false or fraudulent claim for purposes of the false claims statutes. Moreover, these laws may change significantly and adversely in the future.

Any action brought against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of these laws and regulations, we may be subject to any applicable penalty associated with the violation, including, among others, significant administrative, civil and criminal penalties, damages, fines, disgorgement, imprisonment, integrity oversight and reporting obligations, and exclusion from participation in government-funded healthcare programs such as Medicare and Medicaid. Additionally, we could be required to refund payments received by us, and we could be required to curtail or cease our operations. Any of the foregoing consequences could seriously harm our business, financial condition and results of operations.

Our employees, collaborators, distributors, agents, contractors and collaborators may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We cannot ensure that our compliance controls, policies and procedures will in every instance protect us from acts committed by our employees, collaborators, distributors, agents, contractors or collaborators that would violate the laws or regulations of the jurisdictions in which we operate, including, without limitation, healthcare, employment, anti-corruption, environmental, competition, and patient privacy and other privacy laws and regulations. Misconduct by these parties could include intentional failures to comply with FDA, EMA or other applicable regulations, including, without limitation, regulations governing the marketing, sale, labeling and use of RUO and IVD products, provide accurate information to the FDA, the EMA and comparable regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. Such improper actions could subject us to civil, criminal and regulatory investigations, monetary and injunctive penalties, regulatory enforcement actions, fines and penalties, including regulatory prohibitions on offering our SOPHiA platform and related solutions, products and services in one or more countries or markets, and could adversely impact our ability to conduct business, operating results and reputation.

In addition, we are subject to the Foreign Corrupt Practices Act (the “FCPA”) and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we operate, including the UK Bribery Act 2010 and the French Law n° 2016-1691 (Sapin II). The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the
corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments, government purchasers and healthcare providers who are employed by governments. There is no certainty that all of our employees, collaborators, distributors, agents, contractors and collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. We have provisions in our Code of Business Conduct and Ethics (the “Code of Ethics”), an anti-corruption policy, certain provisions in some of our agreements with third parties, including our collaborators and distributors, and certain controls and procedures in place that are designed to mitigate the risk of noncompliance with anti-corruption and anti-bribery laws. However, it is not always possible to identify and deter misconduct by employees and agents, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions stemming from a failure to comply with these laws or regulations. Violations of these laws and regulations could result in, among other things, significant administrative, civil and criminal fines and sanctions against us, our officers, or our employees, the closing down of our facilities, exclusion from participation in federal healthcare programs, implementation of compliance programs, integrity oversight and reporting obligations and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our SOPHiA platform and related solutions, products and services in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results and financial condition.

We face risks related to handling of hazardous materials and other regulations governing environmental safety.

Our activities currently require and may in the future continue to require the use of hazardous chemicals and biohazardous waste, including chemical, biological agents and compounds, blood and bone marrow samples, and other human tissue. We cannot eliminate the risk of accidental contamination or injury to employees or third parties from the use, storage, handling or disposal of these materials. In the event of contamination or injury, we could be held liable for any resulting damages, and any liability could exceed our resources or any applicable insurance coverage we may have. Additionally, we are subject on an ongoing basis to laws and regulations governing the use, storage, handling and disposal of these materials and specified waste services that both public officials and private individuals may seek to enforce. We could discover that we, an acquired business or our suppliers are not in material compliance with these regulations. The cost of compliance with these laws and regulations may become significant and could negatively affect our business, financial condition and results of operations. We do not carry specific biological waste or hazardous waste insurance coverage, workers’ compensation or property and casualty and general liability insurance policies that include coverage for damages and fines arising from biological or hazardous waste exposure or contamination.

If a clinical trial subject’s or a clinical research study participant’s informed consent is challenged or proven invalid, unlawful, or otherwise inadequate for our purposes, our product development efforts may be hindered and we could become involved in legal challenges.

We seek to ensure that all data and biological samples that we receive from our collaborators and customers have been collected from subjects or participants who have provided appropriate informed consent for purposes that extend to our development activities. We also strive to make sure such data and samples are provided to us in a subject de-identified manner. Our collaborators currently conduct clinical trials and clinical research studies in a number of different countries. The collection of data and samples in many different countries results in complex legal questions regarding the adequacy of informed consent and the status of genomic material under a large number of different legal systems. Therefore, we rely on our collaborators and customers to comply with the informed consent requirements and with applicable local law and international
regulation. The subject's or participant's informed consent obtained in any particular country could be challenged in the future, and those could prove invalid, unlawful or otherwise inadequate for our purposes. Any findings against us, or our collaborators and customers, could deny us access to or force us to stop using some of our data and clinical samples, which would hinder our product development efforts, potentially involve us in costly and prolonged litigation, result in reputational harm and adversely affect our business, financial condition and results of operations.

Healthcare reform measures could hinder or prevent the commercial success of our SOPHiA platform and related solutions, products and services.

In the United States and some foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system to contain costs, improve quality, and expand access to care, any of which may harm our future revenues and profitability and the demand for our SOPHiA platform and related solutions, products and services. In the United States, federal and state lawmakers regularly propose and, at times, enact legislation that would result in significant changes to the healthcare system, some of which are intended to contain or reduce the costs of medical products and services. Current and future legislative proposals to further reform healthcare or reduce healthcare costs may limit coverage of, or lower reimbursement for, the procedures associated with the use of our SOPHiA platform and related solutions, products and services.

For example, the ACA contains a number of provisions, including those governing enrollment in federal healthcare programs, reimbursement changes and fraud and abuse measures, all of which will impact existing government healthcare programs and will result in the development of new programs. There have been executive and judicial challenges to certain aspects of the ACA, as well as efforts to repeal, replace or alter the implementation of certain aspects of the ACA. For example, on June 17, 2021 the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the “individual mandate” was repealed by the U.S. Congress. Thus, the ACA will remain in effect in its current form. Further, the Biden administration has taken executive action relating to the ACA and access to healthcare. It is possible that the ACA will be subject to judicial or congressional challenges in the future. It is unclear how any such challenges as well as the healthcare reform measures of the current U.S. presidential administration will affect our business, financial condition and results of operations. In addition, other legislative changes have been adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to CMS payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030 unless additional congressional action is taken, with the exception of a temporary suspension of the 2% cut in Medicare payments from May 1, 2020 through December 31, 2021. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced CMS payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover Medicare overpayments to providers from three to five years.

We expect that additional foreign and U.S. state and federal healthcare reform measures will be adopted in the future. The impact of those changes on us and potential effect on our industry as a whole is currently unknown, as we cannot predict what healthcare programs and regulations will ultimately be implemented or the effect of any future legislation or regulation on our business, financial condition and results of operations.

If we or our suppliers fail to comply with ongoing FDA or comparable regulatory authority requirements, or if we experience unanticipated problems with our research and diagnostic, they could be subject to restrictions or withdrawal from the market.

Any medical device that we manufacture, including those for which we obtain regulatory clearance or approval, and the manufacturing processes, reporting requirements, post-approval clinical data and promotional
activities for such diagnostic test, will be subject to continued regulatory review, oversight and periodic inspections by the FDA and comparable regulatory authorities. In particular, we and our suppliers may be required to comply with the FDA's QSR for medical devices, the International Standards Organization ("ISO") 13485 standards for the manufacture of our diagnostic products and other regulations that cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, storage and shipping of any diagnostic test for which we obtain clearance or approval. Regulatory authorities enforce the QSR and other regulations through periodic inspections. The failure by us or one of our suppliers to comply with applicable statutes and regulations administered by the FDA and comparable regulatory authorities, or the failure to timely and adequately respond to any adverse inspectional observations or product safety issues, could result in, among other things, one or more of the following enforcement actions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- unanticipated expenditures to address or defend such actions;
- customer notifications for repair, replacement or refunds;
- recall, detention or seizure of our diagnostics products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying our requests for 510(k) clearance or PMA of new diagnostics products or modified versions of such products currently manufactured;
- operating restrictions;
- withdrawing 510(k) clearances on PMA approvals that have already been granted; and
- criminal prosecution.

In addition, we are required to conduct surveillance to monitor the safety or effectiveness of our research and diagnostic products, and we must comply with medical device reporting requirements, including the reporting of adverse events and malfunctions related to our research and diagnostic products. Later discovery of previously unknown problems with our diagnostic products, including unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements such as QSR, may result in changes to labeling restrictions on such products or manufacturing processes, withdrawal of the research and diagnostic products from the market, voluntary or mandatory recalls, a requirement to repair, replace or refund the cost of any medical device we manufacture or distribute, fines, suspension of regulatory approvals, product seizures, injunctions or the imposition of civil or criminal penalties, which would adversely affect our business, operating results and prospects.

**Risks Related to Intellectual Property**

If we are not able to obtain, maintain, defend or enforce patent and other intellectual property protection or if the scope of the patent and other intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products, services and technology similar or identical to ours.

Our success depends in part on our ability to obtain, maintain, defend and enforce patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, as well as our ability to preserve our trade secrets and to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property and proprietary rights. Our ability to protect our products or services from unauthorized use by third parties depends on the extent to which valid and enforceable patents cover them or
they are effectively protected as trade secrets. Although we have filed a number of patents, our patent portfolio is in an earlier stage of prosecution, and we own a limited number of issued patents related to our products and technology. For information regarding our patent portfolio, please see “Business—Intellectual Property.”

The patent position of biotechnology and information technology companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. There can be no assurance that our patent rights will not be invalidated or held to be unenforceable, will adequately protect our technology, products or services or provide any competitive advantage, or that any of our pending or future patent applications will issue as valid and enforceable patents. Our ability to obtain and maintain patent protection for our methods and related solutions, products or services is uncertain due to a number of factors, including that:

• we or our licensors may not have been the first to invent the technology covered by our pending patent applications or issued patents;
• we or our licensors may not be the first to file all patent applications, as patent applications in the United States and most other countries are confidential for a period of time after filing;
• our methods and related solutions, products may not be patentable;
• our disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
• any or all of our pending patent applications may not result in issued patents;
• others may independently develop identical, similar or alternative technologies;
• others may design around our patent claims to produce competitive technologies or methods or products that fall outside of the scope of our patents;
• we may fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection;
• we may not seek or obtain patent protection in countries that may eventually provide us a significant business opportunity;
• any patents issued to us may not provide a basis for commercially viable methods or products, may not provide any competitive advantages or may be successfully challenged by third parties;
• a third party may challenge our patents in court and, upon such a challenge, a court may not hold that our patents are valid, enforceable and infringed;
• a third party may challenge our patents in various patent offices and, if challenged, we may be compelled to limit the scope of our pending, allowed or granted claims or lose some or all of the pending, allowed or granted claims altogether;
• the patents of others could harm our business; and
• our competitors could conduct research and development activities in countries where we will not have enforceable patent rights and then use the information learned from such activities to develop competitive methods or products for sale in our major commercial markets.

While we will endeavor to protect our technology with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable, and
we may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patent applications at a reasonable cost or in a
timely manner. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or
patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators,
contract research organizations or manufacturers, consultants, advisors and other third parties, any of these parties may breach the
agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection.
Furthermore, we cannot guarantee that any patents will be issued from any of our pending or future patent applications. The standards
applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no
uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in biotechnology or information technology
patents. Moreover, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be
reinterpreted after issuance. As such, we do not know the degree of future protection that we will have on our proprietary products, services
and technology. Thus, even if our patent applications issue as patents, they may not issue in a form that will provide us with meaningful
protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage.

Even if we have or obtain patents, we may still be barred from making, using and selling such methods, products, or services because of the
patent rights of others. Others may have filed, and in the future may file, patent applications covering compositions, products or methods that
are similar or identical to ours, which could materially affect our ability to successfully develop our technology or to successfully commercialize
any approved assays alone or with collaborators. Patent applications in the United States and elsewhere are generally published
approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the
priority date. Therefore, patent applications could have been filed by others without our knowledge. Additionally, pending claims in patent
applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our platform
technologies or related solutions, products and services. These patent applications may have priority over patent applications filed by us.
The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be
challenged in the courts or patent offices in the United States and abroad. We may be subject to third party pre-issuance submissions of prior
art to the USPTO, or become involved in opposition, derivation, revocation, reexamination, post-grant and inter partes review, or interference
proceedings challenging our patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope
of, or invalidate, our patent rights, allow third parties to commercialize our products, services and technology and compete directly with us,
without payment to us, or result in our inability to manufacture or commercialize products or provide services without infringing third-party
patent rights. Moreover, we, or our licensors, may have to participate in interference proceedings declared by the USPTO to determine priority
of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge priority of invention or other
features of patentability. Such challenges may result in loss of patent rights, loss of exclusivity or freedom to operate or in patent claims being
narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing
similar or identical products, services and technology, or limit the duration of the patent protection of our products, services and technology.
Such proceedings also may result in substantial cost and require significant time from our employees and management, even if the eventual
outcome is favorable to us. In addition, if the breadth or strength of protection provided by the patents and patent applications we own or
in-license is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future
technology.
In addition, third parties may be able to develop technology that is similar to, or better than, ours in a way that is not covered by the claims of our patents or may have blocking patents that could prevent us from marketing our products or practicing our own patented technology. Moreover, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed and the life of a patent, and the protection it affords, is limited. Without patent protection for current or future methods and related solutions, products and services, we may face competing technology. Given the amount of time required for the development and testing, and regulatory review where necessary, patents protecting such technology might expire before or shortly after such technology is commercialized. At the same time, given the rapid pace of technological advancement and innovation in the information technology field, the time needed to obtain patents for novel information technology solutions often renders the protection, once obtained, ineffective if the protected solution has become obsolete or widely-adopted while the patent protection was pending. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing technology similar or identical to that we or our collaborators may develop.

Moreover, certain of our patents and patent applications may in the future be, co-owned with third parties. If we are unable to obtain an exclusive license to any such third party co-owners’ interest in such patents or patent applications, such co-owners may be able to use or license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

We may in the future be involved in lawsuits to defend or enforce our patents and proprietary rights. Such disputes could result in substantial costs or loss of productivity, delay or prevent the development and commercialization of our technology, products and services, prohibit our use of proprietary technology or put our patents and other proprietary rights at risk.

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents and intellectual property rights or the patents and intellectual property rights of our licensors. The enforcement of such claims can be expensive and time-consuming. In an infringement proceeding, a court may decide that a patent owned or in-licensed by us is invalid or unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our owned and in-licensed patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our owned or in-licensed patents at risk of being invalidated or interpreted narrowly. In addition, our ability to enforce our patent or other intellectual property rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor’s or potential competitor’s product or service.

If we were to initiate legal proceedings against any other third party to enforce a patent covering our technology, the defendant could assert that our patent is invalid or unenforceable. In patent litigation in the United States and Europe, defendants alleging invalidity or unenforceability are common. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness, lack of written description or non-enablement. Third parties might allege unenforceability of our patents because during prosecution of the patent an individual connected with such prosecution withheld relevant information or made a misleading statement. Third parties may also raise challenges to the validity of our patent claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include reexamination, post-grant review, inter partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to, our patents.
in such a way that they no longer cover our technology or products. The outcome of proceedings involving assertions of invalidity and unenforceability, including during patent litigation, is unpredictable. With respect to the validity of patents, for example, we cannot be certain that there is noinvalidating prior art ofwhich we and the patent examiner were unaware during prosecution, but that an adverse third party may identify and submit in support of such assertions of invalidity. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our technology. Such a loss of patent protection could have a material adverse effect on our business. Our patents and other intellectual property rights also will not protect our technology if competitors design around our protected technology without infringing our patents or other intellectual property rights.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. There can be no assurance that we will have sufficient financial or other resources to file and pursue infringement claims, which typically last for years before they are concluded. We may or may not choose to pursue litigation or other actions against those that have infringed on our patents, or have used them without authorization, due to the associated expense and time commitment of monitoring these activities. In addition, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ordinary shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or commercialization activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Uncertainties resulting from patent and other intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace, our ability to raise additional funds, and could otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

We may in the future be subject to claims against us alleging that we are infringing, misappropriating or otherwise violating the intellectual property rights of third parties, the outcome of which would be uncertain and could have a material adverse effect on our business.

Our commercial success depends in part upon our ability to develop, manufacture, market and sell our products and services and use our proprietary technology without infringing, misappropriating or otherwise violating the patents or other intellectual property or proprietary rights of third parties. Litigation relating to infringement, misappropriation or other violations of patents and other intellectual property rights in the biotechnology industry is common, including patent infringement lawsuits, trade secret lawsuits, interferences, oppositions, and inter partes review, post-grant review and reexamination proceedings before the United States Patent and Trademark Office (the “USPTO”), and corresponding international patent offices.

In the future, we may be subject to third-party claims and similar adversarial proceedings or litigation regarding any infringement, misappropriation or other violation by us of patent or other intellectual property rights of third parties. If any such claim or proceeding is brought against us, our collaborators or our third-party service providers, our development, manufacturing, marketing, sales and other commercialization activities could be similarly adversely affected. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability or priority. A court of competent jurisdiction could hold that third-party patents asserted against us are valid, enforceable and infringed, which could materially and adversely affect our ability to develop, manufacture, market, sell and commercialize any of our products or services. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As
this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If we are found to infringe any third party's patents or other intellectual property rights, and we are unsuccessful in demonstrating that such patents or other intellectual property are invalid or unenforceable, we could be required to obtain a license from such third party to continue developing, manufacturing, marketing, selling and commercializing our products and services. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be nonexclusive, which would give our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing, royalty and other payments. We also could be forced, including by court order, to cease developing, manufacturing, marketing, selling and commercializing the infringing product or technology. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys’ fees, if we are found to have willfully infringed a patent or other intellectual property right. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar material adverse effect on our business, financial condition, results of operations and prospects.

The various markets in which we plan to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. It is possible that one or more organizations will hold patent rights to which we will need a license. If those organizations refuse to grant us a license to such patent rights on reasonable terms, we may be unable to develop, manufacture, market, sell and commercialize products or services or perform research and development or other activities covered by these patents. Some claimants may have substantially greater resources than we do and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. In addition, many companies in intellectual property-dependent industries, including the biotechnology industry, have employed intellectual property litigation as a means to gain an advantage over their competitors. Furthermore, patent holding companies that focus solely on extracting royalties and settlements by enforcing patent rights may target us. As the biotechnology industry expands and more patents are issued, and as we gain greater visibility and market exposure as a public company, the risk increases that our products, services and technology may be subject to intellectual property-related claims by third parties.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, intellectual property litigation, regardless of its outcome, may cause negative publicity, adversely impact prospective customers, cause product shipment delays or prohibit us from manufacturing, marketing, selling or otherwise commercializing our products, services and technology. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ordinary shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or commercialization activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Uncertainties resulting from patent and other intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace, our ability to raise additional funds, and could otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.
We license patent rights from third-party owners. If such owners do not properly or successfully obtain, maintain or enforce the patents underlying such licenses, or if they retain or license to others any competing rights, our competitive position and business prospects may be adversely affected. If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our relationships with our licensor, we could lose license rights that are important to our business.

Even though we actively file patent applications, we also rely on intellectual property rights licensed from third parties to protect our technology, including licenses that give us rights to third-party intellectual property that is necessary or useful for our business. For example, we are dependent on licenses from Normandie Valorisation for certain products we commercialize. If one or both of our license agreements with Normandie Valorisation were to terminate for any reason, we may be required to cease the manufacturing, marketing, selling and commercialization of certain products. For more information regarding these license agreements, please see “Business—License Agreements.”

We also may license additional third-party intellectual property in the future. Our success will depend in part on the ability of our licensors to obtain, maintain, protect and enforce patent protection for our licensed intellectual property, in particular, those patents to which we have secured exclusive rights. These licenses, and other licenses we may enter into in the future, may not provide adequate rights to use such intellectual property and proprietary technologies in all relevant fields of use or in all territories in which we may wish to develop or commercialize technology, products and services in the future. In some cases, patent prosecution of our licensed technology is controlled by the licensor. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, and maintained in a manner consistent with the best interests of our business. For example, under our license agreements with Normandie Valorisation, Normandie Valorisation controls the prosecution, maintenance and defense of the patents licensed to us pursuant to the agreements. Our licensors may not successfully prosecute the patent applications licensed to us, by failing to draft or prosecute the patents and patent applications licensed to us in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. Even if patents issue or are granted, our licensors may fail to maintain these patents, may determine not to pursue litigation against other companies that are infringing these patents, or may pursue litigation less aggressively than we would. Further, we may not obtain exclusive rights, which would allow for third parties to develop competing products. In addition, our licensors may have relied on third-party consultants or collaborators or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents we in-licensed. If our licensors fail to obtain and maintain a patent or other protection for the proprietary intellectual property we license from such licensor, we could lose our rights to such intellectual property or the exclusivity of such rights, and our competitors could market competing technology using such intellectual property. In that event, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, we or our collaborators may be unable to develop or commercialize the affected technology, which could adversely affect our competitive business position and harm our business prospects.

Our existing license agreements impose, and we expect that future license agreements will impose, various development, commercialization, royalty, diligence, patent prosecution and enforcement, and other obligations on us. If we breach any of these obligations, we may be required to pay damages and the licensor may have the right to terminate the license, which could result in our being unable to commercialize related solutions, products or services that are covered by these agreements, which could materially adversely affect the value of any such technology and our business. In spite of our efforts, our licensors might conclude that we have breached our obligations under such license agreements, and might therefore terminate the license agreements. Termination of these agreements or reduction or elimination of our rights under these agreements
may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in the products and services that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products and services, we may be unable to achieve or maintain profitability.

In addition, disputes may arise under our license agreements, including regarding the payment of the royalties or other payments due to licensors in connection with our exploitation of the rights we license from them. For example, licensors may contest the basis of royalties we retained and claim that we are obligated to make payments under a broader basis. In addition to the costs of any litigation we may face as a result, any legal action against us could increase our payment obligations under the respective agreement and require us to pay interest and potentially damages to such licensors.

Disputes may arise regarding intellectual property subject to a license agreement, including those relating to:

- the scope of rights, if any, granted under the license agreement and other interpretation-related issues;
- the amounts of royalties due under the license agreement;
- whether and the extent to which our technology and processes infringe, misappropriate or otherwise violate intellectual property of the licensor that is not subject to the license agreement;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the sublicensing of patent and other rights under the license agreements;
- the inventorship and ownership of inventions and know-how resulting from the creation or use of intellectual property by our licensors and by us and our collaborators; and
- the priority of invention of patented technology.

The agreements under which we currently license intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement. Such disputes may be costly to resolve and may divert management's attention away from day-to-day activities. If disputes over intellectual property that we have licensed from third parties prevent or impair our ability to maintain our licensing arrangements on acceptable terms, we or our collaborators may be unable to successfully develop and commercialize the affected technology, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for noncompliance with these requirements.

Obtaining and maintaining a patent portfolio entails significant expense, including periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications, which must be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned or licensed patents and applications. In certain circumstances, we rely on our licensing collaborators to pay these fees due to U.S. and non-U.S. patent agencies. The USPTO and various non-U.S. government
agencies require compliance with several procedural, documentary, fee payment, and other similar provisions during the patent application process. We are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. We may or may not choose to pursue or maintain protection for particular intellectual property in our portfolio. If we choose to forgo patent protection or to allow a patent application or patent to lapse purposefully or inadvertently, our competitive position could suffer. Furthermore, we employ reputable law firms and other professionals to help us comply with the various procedural, documentary, fee payment and other similar provisions we are subject to and, in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in obtaining necessary rights to any products or services we may develop through acquisitions and in-licenses.

We currently have rights to intellectual property, through licenses from third parties, to identify and develop certain products, services and technology. Many pharmaceutical companies, biotechnology companies and academic institutions are competing with us and filing patent applications potentially relevant to our business. In order to avoid infringing these third-party patents, we may find it necessary or prudent to obtain licenses from such third-party intellectual property holders.

However, we may be unable to secure such licenses or otherwise acquire or in-license any compositions, methods of use, processes or other intellectual property rights from third parties that we identify as necessary for our business. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world, and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Filing, prosecuting and defending patents in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States, assuming that rights are obtained in the United States. In-licensing patents covering our technology in all countries throughout the world may similarly be prohibitively expensive, if such opportunities are available at all. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States, even in jurisdictions where we do pursue patent protection. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, even in jurisdictions where we do pursue patent protection, or from selling or importing our technology in and into the United States or other jurisdictions.
We generally apply for patents in those countries where we intend to make, have made, use or offer for sale our products or services and where we assess the risk of infringement to justify the cost of seeking patent protection. However, we may not seek protection in all countries where we will commercialize our products and services and we may not accurately predict all the countries where patent protection would ultimately be desirable. If we fail to timely file a patent application in any such country or major market, we may be precluded from doing so at a later date. Competitors may use our technology in jurisdictions where we do not pursue and obtain patent protection to develop their own assays and products and may export otherwise infringing assays and products to territories where we have patent protection, but where our ability to enforce our patent rights is not as strong as in the United States. These products and services may compete with technologies that we or our collaborators may develop, and our patents or other intellectual property rights may not be effective or sufficient to prevent such competition.

The laws of some other countries do not protect intellectual property rights to the same extent as the laws of the United States. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals or biotechnologies. As a result, many companies have encountered significant difficulties in protecting and defending intellectual property rights in certain jurisdictions outside the United States. Such issues may make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation or other violation of our other intellectual property rights. For example, many other countries, including countries in the EU, have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents and could limit our potential revenue opportunities. Accordingly, our and our licensors' efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Furthermore, proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, subject our patents to the risk of being invalidated or interpreted narrowly, subject our patent applications to the risk of not issuing or provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded to us, if any, may not be commercially meaningful, while the damages and other remedies we may be ordered to pay such third parties may be significant.

If we are unable to execute invention assignment agreements with our employees and consultants or protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patent protection for certain aspects of our technology, we also consider trade secrets, including confidential and unpatented know-how, important to the maintenance of our competitive position. We protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations or manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us.
We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes or that the assignment agreements that have been entered into are self-executing. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, or claim ownership in intellectual property that we believe is owned by us. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. In addition, we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the United States and certain foreign jurisdictions are less willing or unwilling to protect trade secrets.

Moreover, our competitors or other third parties may independently develop knowledge, methods and know-how equivalent to our trade secrets or seek to reverse-engineer our technology for which we do not have patent protection. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third parties, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

We are also subject both in the United States and outside the United States to various regulatory schemes regarding requests for the information we provide to regulatory authorities, which may include, in whole or in part, trade secrets or confidential commercial information. While we are likely to be notified in advance of any disclosure of such information and would likely object to such disclosure, there can be no assurance that our challenge to the request would be successful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We have in the past and may in the future be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed trade secrets or other confidential information of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

Many of our employees, consultants and advisors are currently or were previously employed at universities, research institutes or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we have in the past and may in the future be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations and prospects.
If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented, declared generic, cancelled or determined to be infringing on other marks. As a means to enforce our trademark rights and prevent infringement, we may be required to file trademark claims against third parties or initiate trademark opposition proceedings. This can be expensive, particularly for a company of our size, and time-consuming. In addition, in an infringement proceeding, a court may decide that a trademark of ours is not valid or is unenforceable, or may refuse to stop the other party from using the trademark at issue. We may not be able to protect our rights to these and other trademarks and trade names or may be forced to stop using these names, which we may need to build name recognition with potential collaborators or customers in our markets of interest.

Our pending trademark applications in the United States and in other foreign jurisdictions where we may file may not be allowed or may subsequently be opposed. For example, our applications to register the trademarks “SOPHIA GENETICS” and “SOPHIA DDM” in the United States are currently opposed before the USPTO in an action brought by Quidel Corporation. An adverse ruling in such proceedings could prevent us from using both names to distinguish our products and/or services in the United States. We have certain other trademark applications pending in the United States and abroad, but there can be no assurance that these applications will be allowed and not opposed. Even if these applications proceed to registration, third parties may challenge our use or registration of these trademarks in the future. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition and could require us to devote resources to advertising and marketing new brands. Other biotechnology companies may be using trademarks that are similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, they may infringe our trademarks and we may not have adequate resources to enforce our trademarks. If we attempt to enforce our trademarks and assert trademark infringement claims, a court may determine that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks. Furthermore, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Failure to maintain our trademark registrations, or to obtain new trademark registrations in the future, could limit our ability to protect our trademarks and impede our marketing efforts in the countries in which we operate. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected.

Our use of “open source” software could subject our proprietary software to general release, adversely affect our ability to sell our products or provide our services, and subject us to possible litigation.

A portion of the products or technologies licensed, developed or distributed by us incorporate so-called “open source” software, and we may incorporate open source software into other products or technologies in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Some open source licenses may contain requirements that we disclose source code for modifications we make to the open source software and that we license such modifications to third parties at no cost. In some circumstances, distribution of our software in connection with open source software could require that we disclose and license some or all of our proprietary code in that software as well as distribute our products that use particular open source software at no cost to the user.

We monitor our use of open source software in an effort to avoid uses in a manner that would require us to disclose or grant licenses under our proprietary source code; however, there can be no assurance that such
efforts will be successful. Open source license terms are often ambiguous and such use could inadvertently occur. There is little legal precedent governing the interpretation of many of the terms of certain of these licenses, and the potential impact of these terms on our business may result in unanticipated obligations regarding our products and technologies.

Companies that incorporate open source software into their products have, in the past, faced claims seeking enforcement of open source license provisions and claims asserting ownership of open source software incorporated into their product. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of an open source license, we could incur significant legal costs defending ourselves against such allegations. In the event such claims were successful, we could be subject to significant damages or be enjoined from the distribution of our products. In addition, if we combine our proprietary software with open source software in certain ways, under some open source licenses we could be required to release the source code of our proprietary software, which could substantially help our competitors develop products and services that are similar to or better than ours and otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect their products.

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to a patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy Smith America Invents Act (the “America Invents Act”) enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013, but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant of the time from invention to filing of a patent application and be diligent in filing patent applications, but circumstances could prevent us from promptly filing patent applications on our inventions. Since patent applications in the United States and most other countries are confidential for a period after filing or until issuance, we cannot be certain that we or our licensors were the first to either (i) file any patent application related to our products or (ii) invent any of the inventions claimed in our or our licensor’s patents or patent applications.

The America Invents Act also includes a number of significant changes that affect the way patent applications are prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter partes review, and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our owned or in licensed patent applications and the enforcement or defense of our owned or in licensed issued patents, all of which could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

64
In addition, the patent positions of companies in the development and commercialization of healthcare technology are particularly uncertain. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. For example, recent U.S. Supreme Court decisions have served to curtail the scope of subject matter eligible for patent protection in the United States, and many software patents have since been invalidated on the basis that they are directed to abstract ideas. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U.S. Congress, federal courts, and USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future.

**Intellectual property rights do not necessarily address all potential threats.**

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products or provide services that are similar to ours but that are not protected by our intellectual property;
- we or our licensors might not have been the first to make the inventions covered by our patents;
- we or our licensors might not have been the first to file patent applications covering certain of our or their inventions;
- others, including inventors or developers of our owned or in-licensed patented technologies who may become involved with competitors, may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents;
- it is possible that there are prior public disclosures that could invalidate our or our licensors’ patents;
- issued patents for which we have rights may not provide us with any competitive advantage and may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;
- our competitors might conduct research and development activities in countries where we do not have patent rights or in countries where research and development safe harbor laws exist, and then use the information learned from such activities to develop competitive products and services in our commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents or pending or future applications of third parties, if issued, may harm our business; and
- we or our licensors may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.
We have incurred net losses since our inception and expect to continue to incur losses for the foreseeable future. We may never achieve or sustain profitability.

We expect to continue to incur net losses for the foreseeable future as we continue to devote substantial resources to (i) research and development, in particular to further expand the features, applications and data modalities of our SOPHiA platform in order to accommodate multimodal data analytics capabilities across a wide range of disease areas; (ii) expanding selling and marketing efforts for our SOPHiA platform, in particular to drive new customer adoption with clinical customers and biopharmaceutical companies; (iii) establishing and maintaining relationships with our collaborators and customers across the healthcare system; and (iv) obtaining regulatory clearance or approval to offer our products as IVD products for diagnostic use. We may encounter unforeseen expenses, difficulties, complications, delays and unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of growth of our expenses and of our revenue. In addition, following this offering, we expect to incur increased general and administrative expenses associated with operating as a public company. Our net losses may fluctuate significantly from quarter to quarter and from year to year.

Because of the numerous risks and uncertainties associated with our research and development and commercialization efforts, we are unable to predict when we will become profitable, and we may never become profitable. Even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to achieve or sustain profitability would depress our market value and could impair our ability to execute our business plan, raise capital, develop additional products and services and continue our operations. A decline in the value of our company could cause our shareholders to lose all or part of their investment.

We have received loans granted under government programs designed to minimize the economic impact of the COVID-19 pandemic.

We have received loans granted under various government programs designed to minimize the economic impact of the COVID-19 pandemic (collectively, the “COVID-19 loans and grants”). See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” We have repaid or received forgiveness for these loans. Our receipt of the COVID-19 loans and grants could result in adverse publicity. In addition, if we are later determined to have been ineligible to receive the COVID-19 loans and grants or loan forgiveness, or if we violate the terms associated with such loans and grants, including the terms governing loan forgiveness, we may be subject to significant penalties and our reputation could suffer.

Even after this offering, we may need to raise additional capital to fund our existing operations, further develop our SOPHiA platform and products, commercialize our products and services and expand our operations.

Since our inception, we have used substantial amounts of cash. The research and development process as well as selling and marketing efforts are capital intensive and we expect that we will continue to expend substantial resources for the foreseeable future to develop, commercialize and market additional features, applications and data modalities of our SOPHiA platform and related solutions, products and services. In addition, we may
also raise capital to expand our business and pursue strategic investments, to take advantage of financing opportunities or for other reasons, including to:

- fund research and development efforts of our SOPHiA platform and related solutions, products and services or any other future platforms, products and services, in particular biopharma services;
- increase our sales and marketing efforts to drive market adoption of our SOPHiA platform and related solutions, products and services and to address competitive developments;
- acquire, license or invest in complementary technologies and platforms;
- acquire or invest in complementary businesses or assets; and
- finance capital expenditures and general and administrative expenses.

Our present and future funding requirements will depend on many factors, including:

- our ability to achieve revenue growth;
- our ability to secure any required regulatory clearance or approval for additional features, applications and data modalities of our SOPHiA platform and related solutions, products and services;
- the ability of our customers and collaborators to secure any required regulatory clearance or approval for their product candidates, other products and services the development of which they rely on our SOPHiA platform and related solutions, products and services;
- our rate of progress in, and cost of the sales and marketing activities associated with, establishing adoption of our SOPHiA platform and related solutions, products and services;
- the rate of progress in establishing payor coverage and reimbursement arrangements with domestic and international commercial third-party payors and government payors by us with respect to our products, if approved for IVD use, and by our customers and collaborators, with respect to their product candidates, other products and services;
- the cost of expanding our research and development, manufacturing and laboratory operations and products and services offerings;
- our ability to maintain and expand our collaborations with biopharmaceutical companies, both advanced and early stage, and reference and specialist laboratories;
- our rate of progress in, and cost of research and development activities associated with, early research and development efforts;
- the effect of competing technological and market developments;
- market acceptance of our platform, products and services;
- costs related to international expansion; and
- the potential cost of, and delays in, product development as a result of regulatory oversight.

We do not have any committed external source of funds and additional funds may not be available when we need them or on terms that are acceptable to us. Our ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which we may have no or limited control. Market volatility resulting from the COVID-19 pandemic and other factors could adversely impact our ability to access
capital as and when needed. Further, as a Swiss company, we have less flexibility to raise capital, particularly in a quick and efficient manner, as compared to U.S. companies. See “—Risks Related to Our Ordinary Shares and This Offering—Our shareholders enjoy certain rights that may limit our flexibility to raise capital, issue dividends and otherwise manage ongoing capital needs.” If adequate funds are not available to us on a timely basis or on terms acceptable to us, we may be required to delay, limit, reduce or terminate our research and development, commercialization and growth efforts.

We may seek additional capital through a variety of means, including through public and private equity offerings and debt financings, credit and loan facilities and collaborations. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of such equity or convertible debt securities may include liquidation or other preferences that are senior to or otherwise adversely affect your rights as a shareholder. If we raise additional capital through the sale of debt securities or through entering into credit or loan facilities, we may be restricted in our ability to take certain actions, such as incurring additional debt, making capital expenditures, acquiring or licensing intellectual property rights, declaring dividends or encumbering our assets to secure future indebtedness. Such restrictions could adversely impact our ability to conduct our operations and execute our business plan. If we raise additional capital through collaborations with third parties, we may be required to relinquish valuable rights to our intellectual property, technology and products or we may be required to grant licenses for our intellectual property, technology and products on unfavorable terms.

_A limited number of distributors collectively account for a substantial portion of sales of our SOPHiA platform and related solutions, products and services._

For the years ended December 31, 2020 and 2019, 38 and 29 distributors collectively accounted for 23% and 24% of revenue, respectively. We expect that a relatively small number of our distributors will continue to account for significant portion of our revenues in the foreseeable future. Our reliance on a few distributors may expose us to the risk of substantial losses if a single large distributor stops offering access to our platform, services and products, purchases lower quantities of our products or goes out of business and we cannot find substitute distributors on equivalent terms. Most of our distribution relationships are non-exclusive and permit such distributors to distribute competing products. As such, our distributors may not commit the necessary resources to market our products to the level of our expectations or may choose to favor marketing the products of our competitors. If any of our significant distributors reduces the quantity of the research and diagnostic products they purchase from us or stops purchasing from us, our revenue would be materially and adversely affected.

_We may not be able to sufficiently reduce our costs to achieve sustainable gross margins._

Operating our business is costly, and we expect our expenses to continue to increase in the future as we broaden our customer base and expand our platform, services and product offerings. In particular, a significant portion of our business, including our SOPHiA platform, is provided through a cloud-based SaaS platform. These hosting services depend on the uninterrupted operation of data centers as well as high-quality customer support. In addition, we collaborate with manufacturers in the assembly and development of our research and diagnostic products, in particular DNA enrichments kits. For example, we rely on our manufacturing and supply agreements with third parties, including IDT, Twist and Qiagen, for the manufacture of the DNA enrichments kits, which we assemble and offer to our clients as part of “bundle” solutions together with our SOPHiA platform. While we are undertaking a number of initiatives designed to reduce our costs, including provisions in our manufacturing and supply agreements that limit our counterparty’s ability to increase prices for the manufactured products if certain conditions are met by us, and expect that our gross margin will increase as we broaden our customer base and increase customer engagement, there can be no assurance that we will be able to achieve planned cost reductions. There may also be unforeseen occurrences that increase our costs, such as
increased prices of the components of our products, increased costs of hosting and consumer support services, changes to labor costs or less favorable terms with third-party suppliers, service providers or manufacturing collaborators. In addition, if our platform, services and product mix becomes more customer-specific and diversified, our costs may increase. If we are unable to reduce our costs, or if cost reductions are less significant or less timely than those we project, we will not be able to achieve sustainable gross margins, which would adversely affect our ability to invest in and grow our business.

We customize a substantial portion of our research and diagnostic products to address the needs of individual customers and collaborators. If we cannot sell our customized products in the event an order is cancelled, we may be unable to cover our costs and may be left with substantial unsaleable inventory, which could have a material adverse effect on our financial condition and results of operations.

We assemble a substantial portion of our products to address the needs of individual customers. Some of the agreements with our customers require us to cover the initial manufacturing and assembly costs of such products, which means that we will be paid only upon delivery of such products to our customers. If our customers fail to purchase these customized products from us in sufficient quantities, do not purchase such products from us at all or otherwise fail to perform their obligations under the agreements with us, we may bear the full cost of manufacturing and assembling of such products, fail to cover our costs and have substantial unsaleable inventory, each of which could have a material adverse effect on our financial condition and results of operations.

Our ability to use tax loss carryforwards in Switzerland, the United States and other jurisdictions may be limited.

We are entitled to carry forward losses incurred in Switzerland, the United States and other jurisdictions in which we conduct business, which could be used to offset future taxable income. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Components of Results of Operations—Taxation." Due to our limited income, there is a significant risk that our tax loss carryforwards will expire in part or in their entirety and cannot be used to offset future taxable income for corporate income tax purposes. Furthermore, any tax loss carryforwards that we report on our tax returns are subject to review and confirmation by the competent tax authorities in their tax assessment of the tax year for which the tax loss carryforwards are used to offset taxable income. Consequently, we are exposed to the risk that the competent tax authorities may not accept the reported tax loss carryforwards in part or in their entirety.

Changes in tax laws or the interpretation of tax laws could have a material impact on our financial condition.

We are subject to standard corporate income taxation. The standard effective corporate tax rates in Saint-Sulpice, Canton of Vaud, Switzerland, can change from time to time. However, we expect that the standard combined (federal, cantonal, communal) effective corporate income tax rate, except for dividend income for which we could claim a participation exemption, for 2021 in Saint-Sulpice will be approximately 13%. We are also subject to corporate income taxation in other jurisdictions in which we currently operate, including France, the United States, the UK, Brazil and Australia.

In addition, in view of the ongoing implementation of the OECD G20 Base Erosion and Profit Shifting Project and the EU anti-avoidance tax package, the existing transfer pricing system and our intercompany relationships could be challenged by the competent tax authorities, resulting in additional taxes, interest and penalties in case of profit add-backs, non-deductible expenses or objections to the transfer pricing documentation. A focus area is the taxation and allocation of profits generated from intangibles where the DEMPE (Development, Enhancement, Maintenance, Protection and Exploitation) functions will become more relevant compared to the pure bearing of costs. This may impact the taxation of our group profits and may impact our effective tax rate. These and other changes in tax laws or the interpretation of tax laws in Switzerland, France, the United States,
the UK, Brazil, Australia and other jurisdictions in which we currently operate or will operate in the future, could have a material adverse effect on our financial condition.

We are subject to risks related to taxation in multiple jurisdictions.

We are subject to income taxes in Swiss and foreign jurisdictions. Significant judgments based on interpretations of existing tax laws or regulations may be required in determining our provision for income taxes. Our effective income tax rate could be adversely affected by various factors, including, but not limited to, changes in the mix of earnings in tax jurisdictions with different statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in existing tax policies, laws, regulations or rates, changes in the level of non-deductible expenses (including share-based compensation), changes in the location of our operations, changes in our future levels of research and development spending, mergers and acquisitions or the result of examinations by various tax authorities. Although we believe our tax estimates are reasonable, if taxing authorities disagree with the positions taken on our tax returns, we could have additional tax liability, including interest and penalties.

Exchange rate fluctuations may materially affect our results of operations and financial condition.

We operate internationally and a meaningful portion of our revenue, expenses, assets and liabilities are denominated in currencies other than the U.S. dollar, our presentation currency, and the Swiss franc, SOPHIA GENETICS SA's functional currency. In preparing our consolidated financial statements, those revenues, expenses, assets and liabilities are translated into U.S. dollars at applicable exchange rates. Increases or decreases in exchange rates between the U.S. dollar and other currencies affect the U.S. dollar value of those items, as reflected in the consolidated financial statements. We expect that a significant part of our revenues and expenses will continue to be denominated in currencies other than the U.S. dollar, including the euro and Swiss franc, and to a lesser extent, British pound, Australian dollar, Brazilian real, Turkish lira and Canadian dollar. Therefore, unfavorable developments in the value of the U.S. dollar relative to other relevant currencies could adversely affect our results of operations, financial condition and liquidity.

The exchange rates of the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign exchange markets and global economic events, such as the COVID-19 pandemic. These rates are also affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. We currently do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar and even if we engage in hedging operations in the future, there can be no assurance as to the success of any hedging operations that we may implement. Foreign currency fluctuations may adversely affect our results of operations, financial condition and liquidity.

We are subject to risks related to the accounting treatment of our pension and other post-employment benefit plans.

We provide retirement benefits to our employees as required by Swiss law by means of a pension fund that is maintained by a life insurance company. The life insurance company operates a pension plan for all of our employees as a defined benefit plan under International Accounting Standard ("IAS") 19. As of March 31, 2021, we reported an employee benefit obligation, before deduction of plan assets, of $15.1 million in accordance with IAS 19. The obligation represents our projected obligations towards current and future pensioners discounted at an annual rate of 0.20%. Under Swiss statutory rules and pursuant to our contract with the group life assurance provider, all risks including investment risk are fully covered. That said, no underfunding exists under Swiss law. The variance between Swiss statutory rules and IFRS is apparent in many Swiss companies, and the IFRS obligation of our pension plan does not necessarily reflect a true payment obligation under Swiss law because Swiss law allows us to maintain flexibility to adjust benefit levels under the plans and we could use
this flexibility to mitigate any liability. For more information, see Note 22 to the audited consolidated financial statements included elsewhere in this prospectus. However, should the Swiss statutory rules at any time require a determination that our pension plan is significantly underfunded, we could be obliged to make additional contributions to the pension plan in addition to our obligation to make regular contributions as defined in the pension plan regulation. If such risk materializes, this could have a material adverse effect on our financial position or results of operations.

Risks Related to Our Ordinary Shares and This Offering

There was no public market for our ordinary shares prior to this offering, and an active market in our ordinary shares may not develop.

Before this offering, there was no public trading market for our ordinary shares. We cannot predict the extent to which an active market for our ordinary shares will develop or be sustained after this offering. If a market for our ordinary shares does not develop or is not sustained, it may be difficult for shareholders to sell their shares at an attractive price, or at all. Furthermore, an inactive market may also impair our ability to raise capital by selling our ordinary shares and may impair our ability to enter into collaborations or acquire companies or products by using our ordinary shares as consideration.

In addition, we cannot predict the prices at which our ordinary shares will trade. The initial public offering price of our ordinary shares will be agreed between us and the underwriters based on a number of factors, including market conditions in effect at the time of this offering, which may not be indicative of the price at which our ordinary shares will trade following completion of this offering. It is possible that in one or more future periods, our results of operations may be below the expectations of public market analysts and investors and, as a result of these and other factors, the price of our ordinary shares may fall.

The market price of our ordinary shares may be volatile and may fluctuate due to factors beyond our control.

The initial public offering price for our ordinary shares will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The market price of our ordinary shares could be subject to wide fluctuations in response to many risk factors listed in this “Risk Factors” section, some of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition and operating results;
- effectiveness, accuracy and efficiency of our SOPHiA platform and related solutions, products and services;
- public concern relating to the commercial value or safety of any of our SOPHiA platform and related solutions, products and services;
- the timing and results of multimodal clinical studies of our SOPHiA platform;
- our inability to adequately protect our proprietary and intellectual property rights, including patents, trademarks and trade secrets;
- our inability to raise additional capital and the terms on which we raise it;
- our ability to enter into strategic collaboration or licensing agreements, including with GE Healthcare, and the commencement, termination and terms of such agreements;
- regulatory developments, including actions with respect to our and our competitors’ platforms, products and services;
- publication of research reports by securities analysts about us or our competitors or our industry;
Table of Contents

- our failure or the failure of our competitors to meet analysts’ projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- the passage of legislation or other regulatory developments affecting us or our industry;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- sales of our ordinary shares by us, our insiders or our other shareholders;
- changes in market conditions for our industry, including changes in the structure of healthcare payment systems; and
- changes in general market and economic conditions.

In addition, the stock market has historically experienced significant volatility, particularly with respect to healthcare technology company stocks. The volatility of healthcare technology company stocks often does not relate to the operating performance of the companies represented by the stock. As a result of this volatility, our investors may not be able to sell their ordinary shares at or above the initial public offering price. As we operate in a single industry, we are particularly vulnerable to these factors to the extent that they affect our industry, or to a lesser extent, our markets. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This risk is particularly relevant for healthcare technology companies, which have experienced significant stock price volatility in recent years. Securities litigation could result in substantial costs and divert our management’s attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

Our operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause the price of our ordinary shares to fluctuate or decline.

Our quarterly and annual operating results may fluctuate significantly. This fluctuation may be as a result of a variety of factors, many of which are outside our control and, as a result, may not fully reflect the underlying performance of our business. These fluctuations may occur due to a variety of factors, including:

- the level of demand for our SOPHiA platform and related solutions, products and services;
- the timing and cost of development, enhancement and manufacturing, as applicable, of our SOPHiA platform and related solutions, products and services;
- expenditures that we may incur to acquire, develop or commercialize additional technologies, platforms, products and services;
- the rate at which we grow our sales force and the speed at which newly hired salespeople become effective, and the cost and level of investment therein;
- the length of time of the sales cycle for purchases of our SOPHiA platform and related solutions, products and services, which can last up to six months;
- the timing of customer billing and collection;
- any defaults on large contracts by our customers;
- the degree of competition in our industry and any change in the competitive landscape of our industry, including consolidation among our competitors or future collaborators;
coverage and reimbursement policies with respect to our SOPHiA platform and related solutions, products and services;

• positive or negative coverage, or public perception, of our SOPHiA platform and related solutions, products and services or those of our
competitors or broader industry trends;

• the impact of the COVID-19 pandemic, and the resulting effects on the demand for our COVID-19 research and surveillance platform;

• the timing and cost of, and level of investment in, research, development, licenses, regulatory approval, commercialization activities,
acquisitions and other strategic transactions, or other significant events relating to our SOPHiA platform and related solutions, products and
services;

• changes in governmental regulations or in the status of regulatory approvals or applications;

• pricing discounts and incentives for our research and diagnostic products; and

• general market and economic conditions.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual financial results.

Because a substantial portion of our expenses are relatively fixed in the short-term and require time to adjust, our results of operations and
liquidity would suffer if revenue falls below our expectations in a particular period. In addition, comparing our operating results on a
period-to-period basis may not be meaningful. Further, our historical results are not necessarily indicative of results expected for any future
period, and quarterly results are not necessarily indicative of the results to be expected for the full year or any other period, and accordingly
should not be relied upon as indicative of future performance.

If our operating results fall below the expectations of investors or securities analysts, the price of our ordinary shares could decline
substantially. Furthermore, any fluctuations in our operating results may, in turn, cause the price of our ordinary shares to fluctuate
substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as
an indication of our future performance.

Our existing shareholders will continue to be able to exercise significant influence over us, and their interests may conflict with the
interests of other shareholders.

Following completion of this offering, our existing shareholders are expected to own approximately  % of our ordinary shares (or
approximately  % if the underwriters exercise their option to purchase additional ordinary shares in full), excluding any ordinary shares
purchased by any such holders in this offering. At our request, the underwriters have reserved up to 5% of the ordinary shares offered by this
prospectus for sale, at the initial public offering price, to our employees and to friends, professional contacts and family members of our
employees and directors. As a result, these shareholders, if acting together, would be able to influence or control matters requiring approval
by our shareholders, including the election of directors and the approval of certain types of capital increases, statutory mergers or other
extraordinary transactions.

In addition, our amended and restated articles of association will contain provisions stating that if an individual or legal entity acquires ordinary
shares and, as a result, directly or indirectly, has voting rights with respect to more than 15% of the share capital recorded in the commercial
register, the registered shares exceeding the limit of 15% shall be entered in the share register as shares without voting rights. Similarly, our
amended and restated articles of association will limit the exercise of voting rights by shareholders, acting alone or in concert with others, to a
maximum of 15% the share capital recorded in the commercial register. However, any shareholders holding more than 15% prior to the filing
and effectiveness of our amended and restated articles
of association will remain registered with voting rights for such shares and will remain able to vote all of such shares. This may, in certain
instances, allow our existing shareholders to exercise more influence over us than our other shareholders despite holding the same number of
ordinary shares.

To the extent that the interests of our existing shareholders may differ from the interests of our other shareholders, the latter may be
disadvantaged by any action that our existing shareholders may seek to pursue. In addition, the concentration of ownership may have the
effect of delaying, preventing or deterring a change of control of us, could deprive our shareholders of an opportunity to receive a premium for
their ordinary shares as part of a sale of our company and might ultimately affect the market price of our ordinary shares. See “Principal
Shareholders.”

Future sales, or the possibility of future sales, of a substantial number of our ordinary shares could adversely affect the price of our
ordinary shares.

Future sales of a substantial number of our ordinary shares, or the perception that such sales will occur, could cause a decline in the market
price of our ordinary shares. Following the completion of this offering, we will have ordinary shares outstanding (or ordinary
shares outstanding if the underwriters exercise their option to purchase additional ordinary shares in full). This includes the ordinary shares in
this offering, which may be resold in the public market immediately upon the closing of this offering without restriction, unless purchased by
our affiliates. Substantially all of the remaining ordinary shares will be subject to the lock-up agreements described in the “Underwriting”
section of this prospectus. However, J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, on behalf of the underwriters, can waive the
provisions of these lock-up agreements, in their sole discretion, and allow the sale of these shares at any time. In addition, we intend to
register under the Securities Act all ordinary shares that we may issue under our share-based compensation plans. Once we register these
ordinary shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the
lock-up agreements described in the “Underwriting” section of this prospectus. After the end of such lock-up agreements or if such lock-up
agreements are waived, if these shareholders sell substantial numbers of ordinary shares in the public market or if the market perceives that
such sales may occur, the market price of our ordinary shares and our ability to raise capital through an issue of equity securities in the future
could be adversely affected.

Under Swiss law, shareholders benefit from pre-emptive rights to subscribe on a pro rata basis for issuances of equity or other securities that
are convertible into equity, unless such pre-emptive rights are excluded in accordance with Swiss law and our articles of association.
However, due to the laws and regulations in certain jurisdictions, shareholders in certain jurisdictions may not be able to exercise such rights,
unless the company registers or otherwise qualifies the rights offering, including by complying with prospectus requirements under the laws of
that jurisdiction. There can be no assurance that we will take any action to register or otherwise qualify an offering of subscription rights or
shares under the laws of any jurisdiction where the offering of such rights is restricted, other than the United States. If shareholders in such
jurisdictions are unable to exercise their subscription rights, their ownership interest will be diluted.

You will incur immediate and substantial dilution as a result of this offering.

The initial public offering price of our ordinary shares will be substantially higher than the pro forma as adjusted net tangible book value per
ordinary share after the completion of this offering. Therefore, if you purchase ordinary shares in this offering, you will pay a price per ordinary
share that substantially exceeds the pro forma as adjusted net tangible book value per ordinary share after this offering. Based on an initial
public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, you
will experience immediate dilution of $ per ordinary share, representing the difference between the pro forma as adjusted net tangible
book value per ordinary share and the initial public
offering price. As a result of the dilution to investors purchasing shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation. In addition, to the extent that any outstanding options under our share-based compensation plans are exercised, new options are issued under our share-based compensation plans or we issue additional ordinary shares in the future, there will be further dilution to investors participating in this offering. See “Dilution.”

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

We currently intend to use the net proceeds from this offering as described in “Use of Proceeds.” However, our board of directors and our management retains broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not improve our results of operations or enhance the value of our ordinary shares. Our failure to apply these funds effectively could result in financial losses, which could have a material adverse effect on our business, results of operations, financial condition and prospects, cause the price of our ordinary shares to decline and delay the development of our platform, services and products.

We have never paid dividends and do not expect to pay any dividends in the foreseeable future.

Since inception, we have not paid any dividends. Even if future operations lead to significant levels of distributable profits, we currently intend to reinvest any earnings in our business and do not anticipate declaring or paying any dividends until we have an established revenue stream to support continuing dividends. In addition, any proposal for the payment of future dividends will be at the discretion of our board of directors after taking into account various factors including our business prospects, liquidity requirements, financial performance and new product development. Furthermore, payment of future dividends is subject to certain limitations pursuant to our current and future debt instruments, Swiss law and our amended and restated articles of association. See “Description of Share Capital and Articles of Association.” Accordingly, investors cannot rely on dividend income from our ordinary shares, and any returns on an investment in our ordinary shares will likely depend entirely upon any future appreciation in the price of our ordinary shares.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our ordinary shares and our trading volume could decline.

The trading market for our ordinary shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no or too few securities or industry analysts commence coverage of our company, the trading price for our ordinary shares would likely be negatively affected. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our ordinary shares or publish inaccurate or unfavorable research about our business, the price of our ordinary shares would likely decline. In addition, if our operating results fail to meet the forecast of analysts, the price of our ordinary shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our ordinary shares could decrease, which might cause the price of our ordinary shares and trading volume to decline.

The implementation of the authorized share capital increase may be challenged or blocked.

Prior to this offering, we will have obtained a shareholder resolution for, among other things, the increase in authorized share capital necessary to source the ordinary shares to be sold in this offering. As with all share capital increases in Switzerland, a shareholder may (i) request the competent court to grant a preliminary injunction to block the registration of the capital increase in the commercial register of the Canton of Vaud in a summary proceeding and (ii) challenge the underlying shareholders’ resolution within two months after such shareholders’ meeting and, therefore, prevent or delay the completion of this offering. There can be no assurance that the implementation of the authorized share capital increase will not be challenged or blocked.
The rights of our shareholders may be different from the rights of shareholders in companies governed by the laws of U.S. jurisdictions.

We are a Swiss corporation. Our corporate affairs are governed by our articles of association and by the laws governing companies, including listed companies, incorporated in Switzerland. The rights of our shareholders and the responsibilities of members of our board of directors may be different from the rights and obligations of shareholders and directors of companies governed by the laws of U.S. jurisdictions.

In the performance of its duties, our board of directors is required by Swiss law to consider the interests of our company, our shareholders, our employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, shareholders’ interests. Swiss law limits the ability of our shareholders to challenge resolutions made or other actions taken by our board of directors in court. Our shareholders generally are not permitted to file a suit to reverse a decision or an action taken by our board of directors, but are instead only permitted to seek damages for breaches of fiduciary duty. As a matter of Swiss law, shareholder claims against a member of our board of directors for breach of fiduciary duty would have to be brought to the competent courts in Lausanne, Canton of Vaud, Switzerland, or where the relevant member of our board of directors is domiciled. In addition, under Swiss law, any claims by our shareholders against us must be brought exclusively to the competent courts in Lausanne, Canton of Vaud, Switzerland. For a further summary of applicable Swiss company law contained in this prospectus, see “Description of Share Capital and Articles of Association” and “Comparison of Swiss Law and Delaware Law.” However, there can be no assurance that Swiss law will not change in the future, which could adversely affect the rights of our shareholders, or that Swiss law will protect our shareholders in a similar fashion as under U.S. corporate law principles.

Our shareholders enjoy certain rights that may limit our flexibility to raise capital, issue dividends and otherwise manage ongoing capital needs.

Swiss law reserves for approval by shareholders certain corporate actions over which a board of directors would have authority in some other jurisdictions. For example, the payment of dividends and cancellation of treasury shares must be approved by shareholders. Swiss law also requires that our shareholders themselves resolve to, or authorize our board of directors to, increase our share capital. While our shareholders may authorize share capital that can be issued by our board of directors without additional shareholder approval, Swiss law limits this authorization to 50% of the issued share capital at the time of the authorization. The authorization, furthermore, has a limited duration of up to two years and must be renewed by the shareholders from time to time thereafter in order to be available for raising capital. Additionally, subject to specified exceptions, including exceptions explicitly described in our amended and restated articles of association, Swiss law grants pre-emptive subscription rights to existing shareholders to subscribe for new issuances of shares. Swiss law also does not provide as much flexibility in the various rights and regulations that can attach to different categories of shares as do the laws of some other jurisdictions. These Swiss law requirements relating to our capital management may limit our flexibility, and situations may arise where greater flexibility would have provided benefits to our shareholders. See “Description of Share Capital and Articles of Association” and “Comparison of Swiss Law and Delaware Law.”

Our shares are not listed in Switzerland, our home jurisdiction. As a result, our shareholders will not benefit from certain provisions of Swiss law that are designed to protect shareholders in a public takeover offer or a change-of-control transaction.

Because our ordinary shares will be listed exclusively on Nasdaq and not in Switzerland, our shareholders will not benefit from the protection afforded by certain provisions of Swiss law that are designed to protect shareholders in the event of a public takeover offer or a change-of-control transaction. For example, Article 120
of the Swiss Financial Market Infrastructure Act and its implementing provisions require investors to disclose their interest in our company if they reach, exceed or fall below certain ownership thresholds. Similarly, the Swiss takeover regime imposes a duty on any person or group of persons who acquires more than one-third of a company's voting rights to make a mandatory offer for all of the company's outstanding listed equity securities. In addition, the Swiss takeover regime imposes certain restrictions and obligations on bidders in a voluntary public takeover offer that are designed to protect shareholders. However, these protections are applicable only to issuers that list their equity securities in Switzerland, and because our ordinary shares will be listed exclusively on Nasdaq, they will not be applicable to us. Furthermore, since Swiss law restricts our ability to implement rights plans or U.S.-style “poison pills,” our ability to resist an unsolicited takeover attempt or to protect minority shareholders in the event of a change-of-control transaction may be limited. Therefore, our shareholders may not be protected in the same degree in a public takeover offer or a change-of-control transaction as are shareholders in a Swiss company listed in Switzerland.

**U.S. shareholders may not be able to obtain judgments or enforce civil liabilities against us or our executive officers or members of our board of directors.**

We are organized under the laws of Switzerland and our registered office and domicile is located in Saint-Sulpice, Canton of Vaud, Switzerland. Moreover, a number of our directors and executive officers are not residents of the United States, and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or upon such persons or to enforce against them judgments obtained in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our Swiss counsel that there is doubt as to the enforceability in Switzerland of original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities to the extent solely predicated upon the U.S. federal and state securities laws. Original actions against persons in Switzerland based solely upon the federal or state securities laws are governed, among other things, by the principles set forth in the Swiss Federal Act on Private International Law (the “PILA”). This statute provides that the application of provisions of non-Swiss law by the courts in Switzerland shall be precluded if the result is incompatible with Swiss public policy (ordre public). Also, certain mandatory provisions of Swiss law may be applicable regardless of any other law that would otherwise apply.

Switzerland and the United States do not have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. The recognition and enforcement of a judgment of the courts of the United States in Switzerland is governed by the principles set forth in the PILA. This statute provides in principle that a judgment rendered by a non-Swiss court may be enforced in Switzerland only if:

- the non-Swiss court had jurisdiction pursuant to the PILA;
- the judgment of such non-Swiss court has become final and non-appealable;
- the judgment does not contravene Swiss public policy;
- the court procedures and the service of documents leading to the judgment were in accordance with the due process of law; and
- no proceeding involving the same parties and the same subject matter was first brought in Switzerland, or adjudicated in Switzerland, or was earlier adjudicated in a third state, and this decision is recognizable in Switzerland.
Anti-takeover provisions in our amended and restated articles of association could make an acquisition of us, which may be beneficial to our shareholders, more difficult.

Our amended and restated articles of association will contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us that shareholders may consider favorable, including transactions in which our shareholders may receive a premium for their shares. Our amended and restated articles of association, which will become effective upon the closing of this offering, include provisions that:

- in certain cases, allow our board of directors to place up to 29,000,000 ordinary shares and rights to acquire an additional 29,000,000 ordinary shares (in aggregate, 4% of the expected share capital after completion of this offering) with affiliates or third parties, without existing shareholders having statutory pre-emptive rights in relation to this share placement;
- allow our board of directors not to record any acquirer of ordinary shares, or several acquirers acting in concert, in our share register as a shareholder with voting rights with respect to more than 15% of our share capital as set forth in the commercial register;
- limit the exercise of voting rights by shareholders, acting alone or in concert with others, to a maximum of 15% the share capital recorded in the commercial register;
- limit the size of our board of directors to seven members; and
- require two-thirds of the votes represented at a general meeting of the shareholders for amending or repealing most of the above-mentioned authorizations to place shares as well as the above-mentioned voting and recording restrictions, for amending the provision setting a maximum board size or providing for indemnification of our directors and members of our executive committee and for removing the chairman or any member of the board of directors before the end of his or her term of office.

These and other provisions, alone or together, could delay or prevent takeovers and changes in control. See “Description of Share Capital and Articles of Association.” These provisions could also limit the price that investors might be willing to pay in the future for our ordinary shares, thereby depressing the market price of our ordinary shares.

We will be a foreign private issuer, and, as a result, we will not be subject to certain rules and obligations that are applicable to a U.S. domestic public company and will not be subject to certain Nasdaq corporate governance listing standards that are applicable to a Nasdaq-listed U.S. domestic public company.

Upon consummation of this offering, we will report under the Exchange Act as a non-U.S. company with foreign private issuer status. Because we qualify as a foreign private issuer under the Exchange Act and although we intend to furnish quarterly financial information to the SEC, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including (i) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (ii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities, and liability for insiders who profit from trades made in a short period of time; and (iii) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K upon the occurrence of specified significant events. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each financial year, while U.S. domestic issuers are required to file their annual report on Form 10-K in less time. Foreign private issuers are also exempt from the Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information.
Furthermore, because we will be a foreign private issuer, we will elect to comply with our home country governance requirements and certain exemptions thereunder, rather than complying with certain of the Nasdaq corporate governance listing standards that are applicable to U.S. companies listed on Nasdaq. For example, we are exempt from Nasdaq listing standards that require a listed U.S. company to have (i) a majority of the board of directors consist of independent directors, (ii) regularly scheduled executive sessions with only independent directors and (iii) a compensation committee and a nomination and corporate governance committee consisting entirely of independent directors. In accordance with our Nasdaq listing, our audit committee is required to comply with the provisions of Section 301 of the Sarbanes-Oxley Act and Rule 10A-3 of the Exchange Act, both of which are also applicable to Nasdaq-listed U.S. companies. Furthermore, Nasdaq listing standards generally require Nasdaq-listed U.S. companies to, among other things, seek shareholder approval for the implementation of certain equity compensation plans and issuances of securities, which we are not required to follow as a foreign private issuer. Accordingly, our shareholders may not have the same protections afforded to shareholders of companies that are not foreign private issuers. For an overview of our corporate governance principles, see “Description of Share Capital and Articles of Association.”

We may lose our foreign private issuer status, which would then require us to comply with the Exchange Act’s domestic reporting regime and cause us to incur significant legal, accounting and other expenses.

We qualify as a foreign private issuer, and therefore we are not required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers. We may no longer be a foreign private issuer as of June 30, 2022, which would require us to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers, as of January 1, 2023. In order to maintain our current status as a foreign private issuer, either (a) a majority of our ordinary shares must be either directly or indirectly owned of record by non-residents of the United States or (b)(i) a majority of our executive officers or directors may not be United States citizens or residents, (ii) more than 50% of our assets cannot be located in the United States and (iii) our business must be administered principally outside the United States. If we lose this status, we would be required to comply with the Exchange Act and other requirements applicable to U.S. domestic issuers, which are more detailed and extensive than the requirements for foreign private issuers. We may also be required to make changes in our corporate governance practices in accordance with various SEC and stock exchange rules. The regulatory and compliance costs to us under U.S. securities laws if we are required to comply with the reporting requirements applicable to a U.S. domestic issuer may be significantly higher than the cost we would incur as a foreign private issuer. As a result, we expect that a loss of foreign private issuer status would increase our legal and financial compliance costs and would make some activities highly time-consuming and costly. We also expect that if we were required to comply with the rules and regulations applicable to U.S. domestic issuers, it would be more difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors.

There can be no assurance that we will not be a passive foreign investment company for any taxable year, which could subject United States investors in our ordinary shares to significant adverse U.S. federal income tax consequences.

Under the Internal Revenue Code of 1986, as amended (the “Code”), we will be a passive foreign investment company (“PFIC”), for any taxable year in which, after the application of certain look-through rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of “passive income” or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, “passive income.” Passive income generally includes dividends, interest, certain non-active rents and royalties, and capital gains. Based on our current operations, income, assets and certain estimates and projections, including as to the relative values of our assets, including goodwill, which is based on the expected price of our
ordinary shares, we do not expect to be a PFIC for our 2021 taxable year. However, there can be no assurance that the Internal Revenue Service (the “IRS”), will agree with our conclusion. In addition, whether we will be a PFIC in 2021 or any future year is uncertain because, among other things, (i) we will hold a substantial amount of cash following this offering, which is generally categorized as a passive asset; and (ii) our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our ordinary shares, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. investor holds ordinary shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds ordinary shares, even if we ceased to meet the threshold requirements for PFIC status. Such a U.S. investor may be subject to adverse U.S. federal income tax consequences, including (i) the treatment of all or a portion of any gain on disposition as ordinary income; (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends; and (iii) compliance with certain reporting requirements. A “mark-to-market” election may be available that will alter the consequences of PFIC status if our ordinary shares are regularly traded on a qualified exchange. For further discussion, see “Taxation—Material U.S. Federal Income Tax Consequences for U.S. Holders.”

We are an emerging growth company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (ii) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (iii) exemptions from the requirements of holding a non-binding advisory vote on executive compensation. In addition, as an emerging growth company, we are required to provide only two years of audited financial statements and two years of selected financial data in our initial registration statement, compared to three and five years, respectively, for comparable data reported by other public companies.

We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our ordinary shares held by non-affiliates equals or exceeds $700.0 million as of any June 30 (the end of our second fiscal quarter) before that time or if we have total annual gross revenues of $1.07 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31 (our fiscal year end); or, if we issue more than $1.0 billion in non-convertible debt during any three-year period before that time, we would cease to be an emerging growth company immediately. Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company,” which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict if investors will find our ordinary shares less attractive because we may rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and the price of our ordinary shares may be more volatile. When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort towards ensuring compliance with them, and we cannot predict or estimate the amount or timing of such additional costs.
As a result of being a public company, we will incur additional costs, and we may not manage to comply with our internal control procedures and corporate governance structures.

To comply with the requirements imposed on us as a public company, we will incur significant legal, insurance, accounting and other expenses that we did not incur as a private company. The increased costs may require us to reduce costs in other areas of our business. In addition, our board of directors, management and administrative staff will be required to perform additional tasks. For example, in anticipation of becoming a public company, we will need to adopt additional internal controls and disclosure controls and procedures, retain a transfer agent, adopt an insider trading policy and bear all of the internal and external costs of preparing and distributing periodic public reports in compliance with our obligations under applicable securities and other laws. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment will result in increased general and administrative expenses and may divert management's time and attention from research and development activities. These laws, regulations and standards are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters, enforcement proceedings and higher costs necessitated by ongoing revisions to disclosure and governing practices, which could have a material adverse impact on our business, financial condition, results of operations and prospects.
Cautionary statement regarding forward-looking statements

This prospectus contains statements that constitute forward-looking statements. All statements other than statements of historical facts contained in this prospectus, 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 of the forward-looking statements contained in this prospectus 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 appear in a number of places in this prospectus and include, but are not limited to, statements regarding our intent, belief or current expectations. 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 section titled “Risk Factors” in this prospectus. These forward-looking statements include, among others:

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

Our ability to obtain, maintain, protect and enforce intellectual property protection for our technology, products and services, and the scope of such protection;

Our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties;

Our expectations regarding the impact of the COVID-19 pandemic;

Our plans with respect to use of proceeds from this offering;

Our ability to enter into a definite collaboration agreement and other related agreements, if any, with GE Healthcare and our expectations with respect to the terms and the effect on us and our business of such definitive agreements;

Our ability to attract and retain qualified key management and technical personnel; and

Our expectations regarding the time during which we will be an emerging growth company under the JOBS Act and a foreign private issuer.

These forward-looking statements speak only as of the date of this prospectus and are subject to a number of risks, uncertainties and assumptions described in the sections in this prospectus titled “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus. 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. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act which does not extend to initial public offerings. You should read this prospectus and the documents that we have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.
Market and industry data

This prospectus contains industry, market and competitive position data that are based on general and industry publications, surveys and studies conducted by third parties, some of which may not be publicly available, and our own internal estimates and research. Third-party publications, surveys and studies generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we are not aware of any misstatements regarding the industry, market and competitive position data presented herein, these data involve a number of assumptions and limitations and contain projections and estimates of the future performance of the industries in which we operate that are subject to a high degree of uncertainty.
Use of proceeds

We estimate that the net proceeds from the issuance and sale of ordinary shares by us in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional ordinary shares in full, at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price would increase or decrease the net proceeds to us by $ million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us. Each 1,000,000 share increase or decrease in the number of ordinary shares offered by us would increase or decrease the net proceeds to us by $ million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital, create a public market for our ordinary shares, facilitate our future access to the public equity markets, increase awareness of our company among potential customers and improve our competitive position. We intend to use the net proceeds from this offering for working capital and other general corporate purposes, which may include:

- research and development, in particular to further expand the features, applications and data modalities of our SOPHiA platform in order to accommodate multimodal data analytics capabilities;
- expanding selling and marketing efforts for our SOPHiA platform and related solutions, products and services, in particular to drive new customer adoption with clinical customers and biopharmaceutical companies;
- establishing new and maintaining and growing existing relationships with collaborators and customers across the healthcare system; and
- obtaining regulatory clearances or approvals to offer our products as IVD products for diagnostic use.

In addition, we intend to use a portion of the proceeds from this offering to pay a success fee to TriplePoint Capital LLC (“TriplePoint”), which is equal to $ , based on an assumed public offering price equal to the midpoint of the price range set forth on the cover of this prospectus. See “Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Capital Resources.”

We have not yet determined our anticipated expenditures and therefore cannot estimate the amounts to be used for each of the purposes discussed above. However, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for the above purposes. The amount and timing of our actual expenditures will depend upon numerous factors, including our commercialization efforts, demand for our platform, services and products, rates of reimbursement, the costs of equipment, the progress of our research and development efforts, our operating costs and the other factors described in “Risk Factors,” “Management's Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and elsewhere in this prospectus.

Our management will retain broad discretion in the application of the net proceeds we receive from our initial public offering, and investors will be relying on the judgment of our management regarding the application of the net proceeds. Pending the use of the proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation instruments, including short-term and long-term interest-bearing instruments, investment-grade securities, and direct or guaranteed obligations of the U.S. government. We cannot predict whether the proceeds invested will yield a favorable return.
Dividend policy

We have never declared or paid cash dividends on our share capital. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions and business prospects and other factors our board of directors may deem relevant.

Under Swiss law, any dividend must be approved by our shareholders. In addition, our auditors must confirm that the dividend proposal of our board of directors to the shareholders conforms to Swiss statutory law and our amended and restated articles of association. A Swiss corporation may pay dividends only if it has sufficient distributable profits from the previous business year (bénéfice de l'exercice) or brought forward from previous business years (report des bénéfices) or if it has distributable reserves (réserves à libre disposition), each as evidenced by its audited stand-alone statutory balance sheet prepared pursuant to Swiss law and after allocations to reserves required by Swiss law and its articles of association have been deducted. Distributable reserves are generally booked either as free reserves (réserves libres) or as reserves from capital contributions (apports de capital). Distributions out of share capital, which is the aggregate par value of a corporation's issued shares, may be made only by way of a share capital reduction. See “Description of Share Capital and Articles of Association.”
Capitalization

The following table sets forth our cash and cash equivalents and our total capitalization (which we define as non-current liabilities and equity) as of March 31, 2021:

- on an actual basis;
- on a pro forma basis to give effect to the Conversion; and
- on a pro forma as adjusted basis to give effect to the pro forma adjustments described immediately above and to our issuance and sale of ordinary shares in this offering at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us.

You should read this table in conjunction with our consolidated financial statements, including the notes thereto, included in this prospectus as well as “Use of Proceeds,” “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

<table>
<thead>
<tr>
<th>(in USD thousands, except share, par value per share and per share data)</th>
<th>Actual</th>
<th>Pro Forma</th>
<th>Pro Forma As Adjusted(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>57,113</td>
<td>57,113</td>
<td></td>
</tr>
<tr>
<td>Term deposits and short-term investments</td>
<td>21,184</td>
<td>21,184</td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred contract revenue</td>
<td>136</td>
<td>136</td>
<td></td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>2,505</td>
<td>2,505</td>
<td></td>
</tr>
<tr>
<td>Defined benefit pension liabilities</td>
<td>4,984</td>
<td>4,984</td>
<td></td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>1,263</td>
<td>1,263</td>
<td></td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares, par value CHF 0.05 per share; 23,568,000 shares outstanding, actual; 48,129,200 shares outstanding, pro forma; 48,129,200 shares outstanding, pro forma as adjusted(2)</td>
<td>1,206</td>
<td>2,469</td>
<td></td>
</tr>
<tr>
<td>Preferred shares, par value CHF 0.05 per share; 24,561,200 shares outstanding, actual; no shares outstanding, pro forma; no shares outstanding, pro forma as adjusted(2)</td>
<td>1,263</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Share premium</td>
<td>228,037</td>
<td>228,037</td>
<td></td>
</tr>
<tr>
<td>Other reserves</td>
<td>1,916</td>
<td>1,916</td>
<td></td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(150,347)</td>
<td>(150,347)</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>82,075</td>
<td>82,075</td>
<td></td>
</tr>
<tr>
<td>Total capitalization</td>
<td>90,963</td>
<td>90,963</td>
<td></td>
</tr>
</tbody>
</table>

(1) The pro forma as adjusted information is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by $ million, assuming that the number of ordinary shares offered by us in this offering, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us in this offering. Each 1,000,000 share increase or decrease in the number of ordinary shares offered by us in this offering, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, total equity and total capitalization by $ million, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us in this offering.

(2) The number and par values of ordinary shares and of preferred shares have been retroactively adjusted to give effect to the Share Split.

Other than as set forth in the pro forma adjustments and reflected in the table above, there have been no material changes to our capitalization since March 31, 2021.
Dilution

If you invest in our ordinary shares, your interest will be diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our ordinary shares immediately after this offering. Net tangible book value per ordinary share is determined by dividing our tangible net worth (defined as total assets, less intangible assets, less total liabilities) by the number of our ordinary shares outstanding.

Our historical net tangible book value as of March 31, 2021 was $69.1 million, or $1.44 per ordinary share (on a fully diluted basis). After giving effect to the Conversion, the pro forma net tangible book value as of March 31, 2021 was $69.1 million, or $1.44 per ordinary share. After further giving effect to our issuance and sale of ordinary shares in this offering at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us, the pro forma as adjusted net tangible book value as of March 31, 2021 would have been $ million, or $ per ordinary share. This amount represents an immediate increase in pro forma net tangible book value of $ per ordinary share to our existing shareholders and an immediate dilution in pro forma net tangible book value of $ per ordinary share to new investors.

The following table illustrates this dilution on a per ordinary share basis:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed initial public offering price per ordinary share</td>
<td>$</td>
</tr>
<tr>
<td>Historical net tangible book value per share as of March 31, 2021</td>
<td>$1.44</td>
</tr>
<tr>
<td>Pro forma net tangible book value per ordinary share as of March 31, 2021</td>
<td>$1.44</td>
</tr>
<tr>
<td>Increase in pro forma net tangible book value per share attributable to new investors participating in this offering</td>
<td>$</td>
</tr>
<tr>
<td>Pro forma as adjusted net tangible book value per ordinary share after giving effect to this offering</td>
<td>$</td>
</tr>
<tr>
<td>Dilution per ordinary share to investors participating in this offering</td>
<td>$</td>
</tr>
</tbody>
</table>

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price would increase or decrease the pro forma as adjusted net tangible book value per ordinary share after this offering by $ per share and dilution per ordinary share to new investors participating in this offering by $ per share, assuming that the number of ordinary shares offered by us in this offering, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us in this offering. Each 1,000,000 share increase or decrease in the number of ordinary shares offered by us in this offering, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted net tangible book value per ordinary share after this offering by $ per share and dilution per ordinary share to new investors participating in this offering by $ per share, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated fees and offering expenses payable by us.

If the underwriters exercise their option to purchase additional ordinary shares in full, the pro forma as adjusted net tangible book value per ordinary share after this offering would increase to $ per share, representing an immediate increase in pro forma as adjusted net tangible book value per ordinary share of $ per share to existing shareholders and immediate dilution of $ in pro forma as adjusted net tangible book value per ordinary share to new investors participating in this offering.
The following table summarizes as of March 31, 2021, on the pro forma as adjusted basis described above, the number of ordinary shares, the total consideration and the average price per ordinary share (1) paid to us by existing shareholders and (2) to be paid by investors purchasing ordinary shares in this offering at the assumed initial public offering price equal to the midpoint of the price range set forth on the cover page of this prospectus.

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
<th>Weighted-Average Price Per Ordinary Share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Existing shareholders</td>
<td>48,129,200</td>
<td>%</td>
</tr>
<tr>
<td>before this offering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investors participating</td>
<td>%</td>
<td>$</td>
</tr>
<tr>
<td>in this offering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>$</td>
</tr>
</tbody>
</table>

The table above assumes no exercise of the underwriters’ option to purchase additional ordinary shares in this offering. If the underwriters’ option to purchase additional ordinary shares is exercised in full, the number of ordinary shares held by existing shareholders would be reduced to % of the total number of ordinary shares outstanding after this offering and the number of ordinary shares held by new investors participating in the offering would be increased to % of the total number of ordinary shares outstanding after this offering.

To the extent that any outstanding options under our share-based compensation plans are exercised, new options are issued under our share-based compensation plans or we issue additional ordinary shares in the future, there will be further dilution to investors participating in this offering.
Selected consolidated financial data

The following selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus. The selected consolidated income statement data for the years ended December 31, 2020 and 2019 and the selected consolidated balance sheet data as of December 31, 2020 and 2019 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated income statement data for the three months ended March 31, 2021 and 2020 and the summary consolidated balance sheet data as of March 31, 2021 are derived from our unaudited condensed interim consolidated financial statements included elsewhere in this prospectus. The unaudited condensed interim consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and include all normal recurring adjustments that we consider necessary for a fair statement of our financial position and operating results as of the dates and for the periods presented. Our historical results are not necessarily indicative of the results that may be expected in the future, and our results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. Our audited consolidated financial statements are prepared in accordance with IFRS and presented in U.S. dollars and our unaudited condensed interim consolidated financial statements are prepared in accordance with IAS 34 and presented in U.S. dollars.

<table>
<thead>
<tr>
<th>(in USD thousands, except share and per share data)</th>
<th>Year Ended December 31,</th>
<th>Three Months Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td><strong>Consolidated Income Statement Data:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>28,400</td>
<td>25,362</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(10,709)</td>
<td>(7,532)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>17,691</td>
<td>17,830</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>(18,588)</td>
<td>(15,018)</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(17,432)</td>
<td>(19,414)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>(18,965)</td>
<td>(15,669)</td>
</tr>
<tr>
<td>Other operating income and (expense), net</td>
<td>(93)</td>
<td>(16)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(37,387)</td>
<td>(32,287)</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>(3,838)</td>
<td>(1,342)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(41,225)</td>
<td>(33,629)</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>1,886</td>
<td>(162)</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(39,339)</td>
<td>(33,791)</td>
</tr>
<tr>
<td>Basic and diluted loss per share(1)</td>
<td>(0.93)</td>
<td>(0.90)</td>
</tr>
<tr>
<td>Weighted-average number of shares used to compute basic and diluted loss per share(1)</td>
<td>42,350,757</td>
<td>37,752,948</td>
</tr>
</tbody>
</table>

(1) See Note 9 to our audited consolidated financial statements and Note 6 to our unaudited condensed interim consolidated financial statements included elsewhere in this prospectus for a description of the method used to compute basic and diluted loss per share. These figures have been retroactively adjusted to give effect to the Share Split.
<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>As of December 31, 2020</th>
<th>As of December 31, 2019</th>
<th>As of March 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>74,625</td>
<td>18,069</td>
<td>57,113</td>
</tr>
<tr>
<td>Term deposits and short-term investments</td>
<td>22,720</td>
<td>366</td>
<td>21,184</td>
</tr>
<tr>
<td>Total assets</td>
<td>132,115</td>
<td>51,655</td>
<td>111,922</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>31,605</td>
<td>29,402</td>
<td>29,847</td>
</tr>
<tr>
<td>Share capital</td>
<td>2,460</td>
<td>1,947</td>
<td>2,469</td>
</tr>
<tr>
<td>Share premium</td>
<td>227,429</td>
<td>119,227</td>
<td>228,037</td>
</tr>
<tr>
<td>Other reserves</td>
<td>8,300</td>
<td>(581)</td>
<td>1,916</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(137,679)</td>
<td>(98,340)</td>
<td>(150,347)</td>
</tr>
<tr>
<td>Total equity</td>
<td>100,510</td>
<td>22,253</td>
<td>82,075</td>
</tr>
</tbody>
</table>
Management’s discussion and analysis of financial conditions and results of operations

You should read the following discussion of our financial condition and results of operations in conjunction with the section titled “Selected Consolidated Financial Data” and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus. In addition to historical information, the following discussion and analysis contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results and the timing of events could differ materially from those anticipated in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in the sections titled “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements.”

Overview

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

In 2014, we launched the first application of our platform to analyze NGS data for cancer diagnosis. As of March 31, 2021, we had approximately 240 applications used by healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies for precision medicine across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. In 2019, we launched our solution for radiomics data that enables longitudinal monitoring of cancer patients and tumor progression throughout their disease journey. Today, we believe that our SOPHiA platform, commercialized under the name “SOPHiA DDM,” is one of the most widely used decentralized analytics platform globally for clinical genomics. As of March 31, 2021, we served more than 750 hospital, laboratory and biopharma customers globally through our SOPHiA platform and related solutions, products and services, and our SOPHiA platform has supported the analysis of more than 700,000 genomic profiles and has been utilized in clinical trials and research projects discussed in more than 200 peer-reviewed publications. As of March 31, 2021, we had 348 recurring SOPHiA platform customers (defined as the number of customers who generated revenue during the specified time period, which, in this case, is the twelve months ended March 31, 2021). We commercialize our SOPHiA platform and related solutions, products and services as RUO and CE-IVD products. In the United States, our products are labeled and sold for research use only. Because such products are not intended for use in clinical practice in diagnostics and the products cannot include clinical or diagnostic claims, the FDA regulations require that RUO products be labeled “For Research Use Only. Not for use in diagnostic procedures.” In the EU, we have self-certified our products without the intervention of a notified body to affix the CE marking.

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

Our clinical customers primarily include academic and non-academic hospitals and reference and specialty laboratories. Our biopharma customers primarily include pharmaceutical and biotechnology companies and
CROs. Our customers are able to access our SOPHiA platforms through three primary access models: dry lab access, bundle access and integrated access. As of March 31, 2021, we operated a global direct sales team of more than 70 field-based commercial representatives across 61 countries in all four of our major regions of operations (North America, Latin America, EMEA and Asia-Pacific (“APAC”)) and further supplemented our direct sales team with distributors in 9 additional countries. For the years ended December 31, 2020 and 2019, we generated $28.4 million and $25.4 million in revenue, respectively, representing 12% year-over-year growth.

We have funded our operations primarily through equity financings that have generated $230.9 million in gross proceeds as of March 31, 2021 and, to a lesser extent, through revenue generated from the sale of access to our SOPHiA platform and related licenses, solutions, products and services. As of March 31, 2021, we had cash and cash equivalents of $57.1 million and term deposits and short-term investments of $21.2 million. Since our inception, we have incurred net losses, which have been significant in recent periods. For the years ended December 31, 2020 and 2019, our net losses were $39.3 million and $33.8 million, respectively, and for the three months ended March 31, 2021 and 2020, our net losses were $12.7 million and $10.5 million, respectively. As of March 31, 2021, we had an accumulated deficit of $150.3 million. We expect to continue to incur net losses for the foreseeable future as we continue to devote substantial resources to (i) research and development, in particular to further expand the features, applications and data modalities of our SOPHiA platform in order to accommodate multimodal data analytics capabilities across a wide range of disease areas, (ii) expanding our selling and marketing efforts for our SOPHiA platform and related solutions, products and services, in particular to drive new customer adoption with clinical customers and biopharmaceutical companies, (iii) establishing and maintaining relationships with our collaborators and customers across the healthcare system, and (iv) obtaining regulatory clearance or approval to offer our products as IVD products for diagnostic use. Our ability to achieve profitability depends on the successful commercialization and further development of our SOPHiA platform and related solutions, products and services.

Factors Affecting Our Performance

We believe that our financial performance has primarily been driven by, and in the foreseeable future will continue to be primarily driven by, the factors discussed below. While these factors present significant opportunities for our business, they also pose challenges that we must successfully address in order to sustain our growth and improve the results of our operations. Our ability to successfully address these challenges is subject to various risks and uncertainties described elsewhere in this prospectus, particularly in the section titled “Risk Factors.”

Customer Acquisition and Analysis Volume

We principally derive revenue from the use of our SOPHiA platform by our customers as well as the sales of related licenses, solutions, products and services. Our analysis volume is dependent on both the acquisition of new customers as well as usage volume from our existing customers. We employ a “land and expand” commercial model focused on winning new customers and then driving subsequent recurring utilization of our solutions by those acquired customers. Once we secure a customer, we use our direct sales force to build further engagement and help that customer increase its testing operations. For example, we may initially support a customer in setting up its NGS testing operations for hereditary cancer screening, including operational support through our set-up programs. Once the customer is fully onboarded on our SOPHiA platform, it is then comparatively easier to deploy additional germline testing solutions as well as somatic oncology testing solutions, creating synergies across the offerings and a unified workflow. We also target incremental users within each customer, for example, additional clinicians within a provider across expanded departments such as radiology or pathology.
We expect our analysis volume to increase and new customer acquisitions to accelerate as we further expand the features, applications and data modalities of our SOPHiA platform, extend our presence into new geographies and further penetrate existing geographies, particularly geographies that represent largely underpenetrated opportunities such as North America. We intend to significantly invest in the development of our SOPHiA platform to accommodate multimodal data analytics capabilities across a wide range of disease areas, including underpenetrated disease areas such as cardiology and neurology, which we believe will allow us to attract new customers and increase usage of our SOPHiA platform within our existing customer base. To extend our presence into new geographies and further penetrate existing geographies, we intend to significantly invest in our direct sales force to further scale the size of our network in underpenetrated geographies such as North America, form additional collaborations with reference and specialty laboratories and collaborate with collaborators and distributors in selected geographies outside of North America.

Revenue Mix

We derive revenue from the use of our SOPHiA platform by our customers as well as the sales of related licenses, solutions, products and services. Our clinical customers can access our platform using three different models: dry lab access, bundle access and integrated access. In the dry lab access model, our customers use the testing instruments and consumables of their choice and our SOPHiA platform and algorithms for variant detection and identification. In the bundle access model, we bundle DNA enrichment kits with our analytics solution to provide customers the ability to perform end-to-end workflows. In the integrated access model, our customers have their samples processed and sequenced through select SOPHiA platform collaborators within our clinical network and access their data through our SOPHiA platform.

We have experienced fluctuations in how our customers access our SOPHiA platform across the three access models. Specifically, certain customers may transition from one access model to another over time. For example, we have observed a trend with certain customers being onboarded onto our platform through the dry lab access model, but, over time, as our relationships with them grow, these customers transition to the bundle access model as customers trust us to curate a set of instruments and consumable products to help increase the accuracy of the analysis they generate. This trend is one illustration of our “land and expand” commercial model, as bundle access is typically a higher revenue-generating model compared to dry lab access based on the incremental value from the sale of consumables and instruments as well as higher platform usage on average for bundle access customers. Certain types of customers are also more likely to access our SOPHiA platform using one access model compared to other customers. For example, customers who are unable or do not wish to conduct sequencing locally are inclined to use the integrated access model. These customers have historically represented a small percentage of our customer base relative to the bundle access and dry lab access models. We expect that the revenue contribution from each of three access models will vary depending on our customer base and the rate of new customer acquisition.

We also derive revenue from the sale of licenses for our Alamut suite of genomics mutations interpretation software. While we view Alamut as a complementary add-on to our SOPHiA DDM platform, there are a number of Alamut users who currently are not customers of our SOPHiA DDM platform. We expect that revenue contribution from Alamut will continue to vary based on the number of stand-alone Alamut users as well as our ability to cross-sell our SOPHiA DDM platform to Alamut users and vice versa.

Seasonality

We typically experience lower usage of our SOPHiA platform in the third quarter compared to other quarters, which we believe is due to the seasonal slowdown at our customers’ European facilities attributable to summer vacations and European holiday schedules. As we expand in the North American market, we expect that we will be subject to lower seasonal variations in our usage per customer.
Biopharma Expansion

To date, the majority of our revenue is generated through our clinical customers, including academic and non-academic hospitals, and reference and specialty laboratories. However, we see potential for our biopharma business to comprise a more significant portion of our revenues. We began commercializing our biopharma product and service offerings in 2019. While we have the ability to offer a robust package of pre- and post-market solutions to our biopharma customers through SOPHiA Trial Match, SOPHiA Insights, SOPHiA CDx and SOPHiA Awareness, our biopharma business is still nascent with the initial focus on establishing pilot programs with large pharmaceutical and biotech companies to build customer trust and raise awareness about our offerings. We intend to leverage our platform and database to drive adoption by biopharmaceutical companies through our sales force focused on biopharma opportunities across the discovery, clinical development and commercialization value chain. In addition, we plan to develop new offerings for biopharma as we expand the number and type of new applications and data modalities on our platform.

Strategic Acquisitions and Collaborations

We vigilantly monitor the market for potential investments to expand or add key technologies to our offerings that we believe will improve our platform's ability to address our customers' needs and catalyze the commercialization of new products and services. Our investment strategy could take the form of a business acquisition, asset acquisition or strategic licensing of patented technology, all of which may affect our future financial results. For example, our acquisition of IBS in 2018 expanded the functionality of our SOPHiA platform. The Alamut suite of genomics mutation interpretation software is connected to our SOPHiA DDM platform and gives our customers advanced analytics capabilities for a deeper and more informed genomic data interpretation. We view Alamut as a complement to our SOPHiA DDM platform and expect to be able to accelerate our growth by cross-selling our SOPHiA DDM platform to Alamut users and vice versa.

To complement our investment strategy, we have also collaborated, and intend to form additional collaborations, with other product providers in the ecosystem to bundle our solutions to provide differentiated end-to-end solutions. We currently collaborate with testing kit companies, testing hardware providers, software analytics companies and diagnostic companies operating with a centralized model. For example, we formed collaborations with companies including Twist, IDT and Agilent to create an integrated solution using our analytics platform and their library preparation products, including DNA enrichment kits. We continue to regularly evaluate our role in the genomics and radiomics value chain in order to provide both our existing and new customers with a comprehensive product offering, enhance our overall market and competitive position and expand into adjacent untapped markets and new geographies.

Research and Development

A significant aspect of our business is our continued investment in research and development, including new features, new applications, new data modalities and new services. We plan to continue investing in scientific innovation to bring innovative, high-impact content to our customers through regular updates of our platform.

Exchange Rates

We operate internationally and a majority of our revenue, expenses, assets, liabilities and cash flows are denominated in currencies other than our presentation currency, the U.S. dollar and the functional currency of SOPHiA GENETICS SA, the Swiss franc. Our 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 our customers' geographic location. Our expenses are incurred primarily in the U.S. dollar,
the euro and Swiss franc and, to a lesser extent, British pound, Australian dollar and Brazilian real. We expect that a part of our revenues and expenses will continue to be denominated in currencies other than the U.S. dollar. Therefore, part of the fluctuations in our operating results in any period may result from changes in exchange rates. We currently do not use any financial instruments to manage our exchange rate risks, which we have been partially mitigating by matching costs in the same foreign currency.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic has negatively affected our overall and non-COVID-19 analysis-related revenue. Our hospital customers prioritized COVID-19-related services during the pandemic. In addition, as a result of pandemic containment measures, some of our customers experienced disruptions in their operations, refocused their research and development priorities and operated at reduced capacity. As a result, we observed a significant decrease in revenue and analysis volume in the second quarter of 2020. Although we have seen a sustained recovery for the rest of the year, we believe that we experienced lower growth in revenue and analysis volume in 2020 as a result of the COVID-19 pandemic than we otherwise would have achieved.

In addition, the COVID-19 pandemic resulted in restricted access to reference and specialty laboratories and prioritization of COVID-19-related testing at the expense of non-COVID-19 analysis. These restrictions hindered our ability to acquire new clinical customers. As a result, we believe that we experienced lower customer acquisition growth in 2020 as a result of the COVID-19 pandemic than we otherwise would have achieved.

COVID-19 has also created opportunities for us. For example, we collaborated with Paragon Genomics, Inc. to develop a NGS assay for COVID-19 that leverages our SOPHiA platform’s analytical capabilities, allowing us to deliver the benefits of this solution to our customer base of more than 750 customers worldwide. While the NGS assay for COVID-19 did not constitute a significant part of our revenue, and we do not expect it do so in the future, we believe that this collaboration illustrates the flexibility and adaptability of our SOPHiA platform.

Key Performance Indicators

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

As used in this section, the term “customer” refers to any customer who accesses our SOPHiA platform through the dry lab and bundle access models. We exclude from this definition any customers accessing our SOPHiA platform using the integrated business model because they tend to use our platform in an ad hoc manner compared to our dry lab and bundle access customers who typically do so in a recurring fashion, generate an immaterial portion of our revenue and analysis volume and constitute a small part of our customer base. We also exclude from this definition customers who only use Alamut through our SOPHiA platform.
Platform analysis volume represents a key business metric that reflects our overall business performance, as we generate revenue on a pay-per-analysis basis. Platform analysis volume measures the number of analyses that generated revenue to us and were conducted by our customers. Analysis volume is a direct function of the number of active customers and usage rates across our customer base during a specified time period. While our platform analysis volume is a major driver of our revenue growth, other factors, including product pricing, access model used and customer size mix, also affect our revenue. Because of that, our revenue may increase in periods in which our analysis volume decreases and vice versa.

Analysis volume decreased to 161,049 in the year ended December 31, 2020 from 163,900 in the year ended December 31, 2019. We believe this decrease is primarily attributable to the impact of the COVID-19 pandemic, which had a noticeable impact on both our customer base as well as the usage rate of our customers. As a result of the COVID-19 pandemic, we observed a significant decrease in chargeable analysis volume of 32% in the second quarter of 2020, as compared to the prior quarter. Although we have seen a sustained recovery during the remainder of 2020, with the third quarter’s analysis volume up 33% as compared to the second quarter 2020, we believe that we experienced lower customer acquisition and revenue growth in 2020 as a result of the COVID-19 pandemic than we otherwise would have achieved. While platform analysis volume is a primary driver of our overall revenue, there are other important factors that also contribute to our revenue performance, including access model mix, Alamut license sales, biopharma service revenue and workflow equipment and services revenue. These factors contributed to year-over-year growth in our overall revenue in 2020, offsetting a slight decrease in our platform analysis volume year-over-year.
Total Recurring Platform Customers

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Existing recurring platform customers</td>
<td>265</td>
</tr>
<tr>
<td>New recurring platform customers</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total recurring platform customers</strong></td>
<td><strong>314</strong></td>
</tr>
</tbody>
</table>

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

Total recurring platform customers decreased to 314 in the year ended December 31, 2020 from 322 in the year ended December 31, 2019. The decrease is primarily attributable to the impact of the COVID-19 pandemic, which resulted in a loss of a number of our existing customers and hindered our ability to acquire new customers. The impact of lockdown measures associated with the COVID-19 pandemic was particularly felt among our smaller customers (which we define as customers that generate less than $1,000 monthly recurring revenue for us), who comprised the bulk of our lost customers in 2020.

Average Revenue per Platform Customer

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Average revenue per platform customer</td>
<td>70,004</td>
</tr>
</tbody>
</table>

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

Average revenue per platform customer increased to $70,004 in the year ended December 31, 2020 from $62,035 in the year ended December 31, 2019. The increase is partially attributable to changes in our access model mix as customers transitioned to higher-revenue generating access models as well as the COVID-19 pandemic, as the impact of lockdown measures associated with the COVID-19 pandemic was particularly felt among our smaller customers, who comprised the bulk of our lost customers in 2020.
Our customers are assigned to a particular cohort based on the year in which they first accessed our SOPHiA platform through the dry lab or bundle access model. We track and aggregate analysis volume generated through our platform grouped by customer cohorts in 12-month intervals from the respective customer onboard date. This key metric allows us to measure our “land and expand” commercial strategy.

Across the last five cohorts who have been onboarded onto our platform for at least a year, we have noticed a consistent increase in usage volume over time. For the 2015 cohort, by the 5th year using our SOPHiA platform, the overall analysis volume generated by the cohort is 92% greater than the volume generated by those customers during their first year on our platform. Even factoring in lost analysis volumes from lost customers as the cohorts mature, each cohort has demonstrated year-over-year growth in analysis volume.

With regards to access model, for the five tracked cohorts, we have also noticed a consistent trend in the mix of analysis volume transitioning from dry lab access to bundle access across all five cohorts. As bundle access tends to be a typically higher-revenue generating model, this trend, combined with the increase in analysis volume over time across each cohort, further highlights our “land and expand” strategy.

### Lifetime Value (LTV) to Customer Acquisition Cost (CAC) Ratio

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTV</td>
<td>881,633</td>
<td>663,276</td>
</tr>
<tr>
<td>CAC</td>
<td>274,941</td>
<td>214,806</td>
</tr>
<tr>
<td>LTV/CAC Ratio</td>
<td>3.2x</td>
<td>3.1x</td>
</tr>
</tbody>
</table>

We track the LTV to CAC ratio for our dry lab and bundle access customers as a measure of our ability to generate gross profit per customer relative to the cost to acquire a customer. We calculate LTV for the stated time period by dividing the average revenue per customer by the percentage of average revenue for the historical time period lost from customers who have not generated revenue over the past 12 months in that period and multiplying by average gross margin for dry lab and bundle access customers. We calculate CAC for the stated time period based on sales and marketing expenses divided by the number of new customers that we acquired who have generated revenue over the period. As our company continues to expand and scale, increasing and maintaining a high LTV to CAC ratio will be important to increasing profitability in parallel with increasing our market share.
Our LTV to CAC ratio over the last two years held steady at above 3x. Our LTV to CAC ratio increased slightly to 3.2x in the year ended December 31, 2020 from 3.1x in the year ended December 31, 2019. The increase is attributable to an increase in LTV partially offset by an increase in CAC. The higher LTV is a result of higher average revenue per platform user and slightly lower percentage of revenue contributed by lost customers partially offset by a lower gross margin. Our customer acquisition costs increased on a per customer basis despite lower aggregate sales and marketing spend, as the ongoing COVID-19 pandemic hindered our ability to acquire new customers.

Components of Results of Operations

Revenue

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

SOPHiA platform revenue comprises the bulk of our revenue and includes goods and services related to the use of our SOPHiA DDM platform, including our clinical genomics solutions, which span across 240 unique applications for analyzing genomic data: our Alamut suite of genomics mutation interpretation software, which gives our clinical customers advanced analytics capabilities for a deeper and more informed genomic data interpretation; and biopharma applications designed to help customers solve bottlenecks across the biopharma value chain, including discovery, clinical development and commercialization; and the sale of third-party instruments and consumables to our bundle access customers.

For clinical customers, our primary pricing strategy for our SOPHiA DDM platform is a pay-per-use model, in which customers access our platform free of charge but pay for each use of our platform. Pricing varies based on our customer mix, as customers require differing levels of customization. For Alamut, our primary pricing strategy is a licensing model, in which customers access our platform for a contracted price. For biopharma customers, we are continuing to refine our pricing strategy since we launched our initial applications for the biopharma market in 2019. We recognize revenue when our customer obtains control of promised goods or services, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. For revenue generated from our SOPHiA DDM platform customers, we recognize revenue from analyses as the analyses are conducted and revenue from bundled instruments and consumables at the point of delivery. For revenue generated from Alamut licenses, we recognize revenue over the course of the license period. Payments from our customers are typically due up to 180 days from the invoice date. We have a diverse range of customers and no single customer accounted for more than 3% of our revenue for the years ended December 31, 2020 or 2019.

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

We have demonstrated continued revenue growth during 2020 and 2019 as a result of the continued development of our platform and technology and further penetration of the market. Revenue performance is reflective of the strong foundation that has been built, focused around clinical and biopharma customers.
Cost of Revenue
Cost of revenue comprises costs directly incurred in earning revenue, including computer costs and data storage fees paid to hosting providers, manufacturing costs, materials and consumables, the cost of equipment leased out under finance leases, personnel-related expenses and amortization of capitalized development costs. Capitalized software development costs are amortized using the straight-line method over an estimated life of five years.

While we currently expect increased investments to accelerate growth, we also expect to realize increased efficiencies and economies of scale and undertake cost containment measures to reduce the cost of using cloud infrastructure. We expect our gross profit margin to increase in the coming periods as we broaden our customer base, increase customer engagement, expand our cloud infrastructure and negotiate additional arrangements with service providers, including with respect to computer costs and data storage fees paid to hosting providers. Our cost of revenue as a percentage of revenue may fluctuate from period to period depending on the interplay of the various components of cost of revenue.

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

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

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

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

In the short term, we expect our selling and marketing costs to increase in absolute dollars and as a percentage of revenue as we seek to broaden our customer base and increase customer engagement to drive revenue growth and as we hire additional sales personnel and related account management and sales support personnel to properly service our growing customer base. However, in the long term, we expect our selling and marketing costs to increase in absolute dollars, but not necessarily as a percentage of revenue, as our revenues increase.
costs to gradually and modestly decrease as a percentage of revenue. Our selling and marketing costs as a percentage of revenue may fluctuate from period to period due to the timing and extent of such expenses.

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

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

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

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

We currently do not use any financial instruments to manage our interest risk exposure. We expect our interest expense to decrease in 2021 based on the repayment of loans and other debt instruments and the payment of a fee payable to TriplePoint upon the completion of this offering. We also currently do not use any financial instruments to manage our exchange rate risks.

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

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

We are entitled under Swiss laws to carry forward any losses incurred for a period of seven years, which could be used to offset future taxable income. As of December 31, 2020, we had tax loss carryforwards totaling
$131.9 million in Switzerland that can be carried forward through future periods that will expire at various dates between January 1, 2021 and December 31, 2027. In the United States, we had tax loss carryforwards of $9.0 million as of December 31, 2020, comprised of $5.1 million in federal tax loss carryforwards that have an unlimited carryforward period and $3.9 million in state and local tax loss carryforwards. Of the U.S. state and local tax loss carryforwards, $2.2 million are set to expire at various dates between January 1, 2029 and December 31, 2040, while the remaining balance has an unlimited carryforward period. In France, we had tax loss carryforwards totaling $4.6 million as of December 31, 2020 that have an unlimited carryforward period. In the UK, we had tax loss carryforwards totaling $2.5 million as of December 31, 2020 that have an unlimited carryforward period. There is no certainty that we will make sufficient profits to be able to utilize these tax loss carryforwards in full during the allotted time periods.

Results of Operations

Comparison of the Years Ended December 31, 2020 and December 31, 2019

The following table summarizes our results of operations for the years ended December 31, 2020 and 2019:

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Year Ended December 31,</th>
<th>Change</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>28,400</td>
<td>25,362</td>
<td>3,038</td>
<td>12%</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(10,709)</td>
<td>(7,532)</td>
<td>(3,177)</td>
<td>42%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>17,691</td>
<td>17,830</td>
<td>(139)</td>
<td>(1%)</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>(18,588)</td>
<td>(15,018)</td>
<td>(3,570)</td>
<td>24%</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(17,432)</td>
<td>(19,414)</td>
<td>1,982</td>
<td>(10%)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>(18,965)</td>
<td>(15,669)</td>
<td>(3,296)</td>
<td>21%</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(37,387)</td>
<td>(32,287)</td>
<td>(5,100)</td>
<td>16%</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>(3,838)</td>
<td>(1,342)</td>
<td>(2,496)</td>
<td>186%</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(41,225)</td>
<td>(33,629)</td>
<td>(7,596)</td>
<td>23%</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>1,886</td>
<td>(162)</td>
<td>2,048</td>
<td>NM</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(39,339)</td>
<td>(33,791)</td>
<td>(5,548)</td>
<td>16%</td>
</tr>
</tbody>
</table>

Revenue

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Year Ended December 31,</th>
<th>Change</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOPHiA platform</td>
<td>27,221</td>
<td>23,710</td>
<td>3,511</td>
<td>15%</td>
</tr>
<tr>
<td>Workflow equipment and services</td>
<td>1,179</td>
<td>1,652</td>
<td>(473)</td>
<td>(29%)</td>
</tr>
<tr>
<td>Total revenue</td>
<td>28,400</td>
<td>25,362</td>
<td>3,038</td>
<td>12%</td>
</tr>
</tbody>
</table>

Revenue was $28.4 million for the year ended December 31, 2020, compared to $25.4 million for the year ended December 31, 2019. This increase was primarily attributable to an increase in SOPHiA platform revenue, partially offset by a decrease in workflow equipment and services revenue. SOPHiA platform revenue was $27.2 million for the year ended December 31, 2020 compared to $23.7 million for the year ended December 31, 2019. This increase was primarily attributable to an access model mix shift from dry lab to bundle access across our clinical customer base, in which our bundle access model revenue increased by $3.1 million and our dry lab access model revenue decreased by $0.5 million. Additionally, we experienced growth in Alamut license
revenue of $0.3 million and growth in our biopharma services revenue of $0.7 million. Workflow equipment and services revenue was $1.2 million for the year ended December 31, 2020, compared to $1.7 million for the year ended December 31, 2019. This decrease was primarily attributable to a decrease in the number of set-up programs we were able to complete, as the COVID-19 restrictions hindered our ability to acquire new customers and as the average duration of our set-up time increased due to challenges for our customers associated with COVID-19 related restrictions.

**Cost of Revenue**

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Year Ended December 31, 2020</th>
<th>Change</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>(10,709)</td>
<td>(7,532)</td>
<td>(3,177)</td>
<td>42%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>17,691</td>
<td>17,830</td>
<td>(139)</td>
<td>(1%)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>62%</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost of revenue was $10.7 million for the year ended December 31, 2020, compared to $7.5 million for the year ended December 31, 2019. This increase was primarily attributable to a one-time inventory write-off of $0.6 million associated with the loss of a large customer opportunity, a decrease in labor absorption of $0.4 million and an increase in computational and storage-related costs of $0.8 million. Our manufacturing and supply agreement with IDT and our OEM supply agreement with Qiagen contributed $1.7 million and $1.5 million to cost of revenue, respectively, for the year ended December 31, 2020, compared to $1.7 million and $1.4 million, respectively, for the year ended December 31, 2019.

**Operating Expenses**

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Year Ended December 31, 2020</th>
<th>Change</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development costs</td>
<td>(18,588)</td>
<td>(15,018)</td>
<td>(3,570)</td>
<td>24%</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(17,432)</td>
<td>(19,414)</td>
<td>1,982</td>
<td>(10%)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>(18,965)</td>
<td>(15,669)</td>
<td>(3,296)</td>
<td>21%</td>
</tr>
<tr>
<td>Other operating income and (expense), net</td>
<td>(93)</td>
<td>(16)</td>
<td>(77)</td>
<td>481%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(37,387)</td>
<td>(32,287)</td>
<td>(5,100)</td>
<td>16%</td>
</tr>
</tbody>
</table>

Research and Development Costs

Research and development costs were $18.6 million for the year ended December 31, 2020, compared to $15.0 million for the year ended December 31, 2019. This increase was primarily attributable to an increase in employee-related expenses of $5.9 million for R&D initiatives related to the development of new products and applications as a result of increased hiring, partially offset by capitalization of $2.4 million in development costs.

Selling and Marketing Costs

Selling and marketing costs were $17.4 million for the year ended December 31, 2020, compared to $19.4 million for the year ended December 31, 2019. This decrease was primarily attributable to lower variable expenses, particularly travel-related and marketing expenses due to COVID-19 restrictions, which decreased by $2.3 million, partially offset by an increase of $0.7 million in headcount-related costs.
Table of Contents

General and Administrative Costs

General and administrative costs were $19.0 million for the year ended December 31, 2020, compared to $15.7 million for the year ended December 31, 2019. This increase was primarily attributable to the continued scale-up of our organization, which resulted in an increase of our general and administrative costs of $2.0 million, and development of quality related initiatives to support a potential expansion of our business into more regulated markets, which resulted in an increase of our general and administrative costs of $0.6 million.

Other Operating Income and (Expense). Net

Other operating income and (expense), net was $93 thousand for the year ended December 31, 2020, compared to $16 thousand for the year ended December 31, 2019.

Finance Income and (Expense), Net

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>(3,838)</td>
<td>(1,342)</td>
</tr>
</tbody>
</table>

Finance income and (expense), net was $3.8 million for the year ended December 31, 2020, compared to $1.3 million for the year ended December 31, 2019. This increase was primarily attributable to foreign exchange losses arising from intercompany transactions associated with the translation of foreign currency receivable balances and the U.S. dollar cash balances into SOPHiA GENETICS SA's functional currency of the Swiss franc.

Income Tax (Expense)/Benefit

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>1,886</td>
<td>(162)</td>
</tr>
</tbody>
</table>

Income tax benefit was $1.9 million for the year ended December 31, 2020, compared to a $0.2 million tax expense for the year ended December 31, 2019. This change was primarily attributable to the recognition of deferred tax assets.

105
Comparison of the Three Months Ended March 31, 2021 and March 31, 2020

The following table summarizes our results of operations for the three months ended March 31, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31</th>
<th>Change</th>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Revenue</td>
<td>8,976</td>
<td>7,481</td>
<td>1,495</td>
<td>20%</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(3,359)</td>
<td>(2,913)</td>
<td>(446)</td>
<td>15%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>5,617</td>
<td>4,568</td>
<td>1,049</td>
<td>23%</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>(6,180)</td>
<td>(4,631)</td>
<td>(1,549)</td>
<td>33%</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(4,882)</td>
<td>(5,350)</td>
<td>468</td>
<td>(9%)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>(8,633)</td>
<td>(4,002)</td>
<td>(4,631)</td>
<td>116%</td>
</tr>
<tr>
<td>Other operating income and (expense), net</td>
<td>24</td>
<td>(214)</td>
<td>238</td>
<td>(111%)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(14,054)</td>
<td>(9,629)</td>
<td>(4,425)</td>
<td>46%</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>1,561</td>
<td>(890)</td>
<td>2,451</td>
<td>(275%)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(12,493)</td>
<td>(10,519)</td>
<td>(1,974)</td>
<td>19%</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>(1,75)</td>
<td>(18)</td>
<td>(157)</td>
<td>872%</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(12,668)</td>
<td>(10,537)</td>
<td>(2,131)</td>
<td>20%</td>
</tr>
</tbody>
</table>

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended March 31</th>
<th>Change</th>
<th></th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>SOPHiA platform</td>
<td>8,739</td>
<td>7,279</td>
<td>1,460</td>
<td>20%</td>
</tr>
<tr>
<td>Workflow equipment and services</td>
<td>237</td>
<td>202</td>
<td>35</td>
<td>17%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>8,976</td>
<td>7,481</td>
<td>1,495</td>
<td>20%</td>
</tr>
</tbody>
</table>

Revenue was $9.0 million for the three months ended March 31, 2021, compared to $7.5 million for the three months ended March 31, 2020. This increase was primarily attributable to an increase in our SOPHiA platform revenue. Our SOPHiA platform revenue was $8.7 million for the three months ended March 31, 2021 compared to $7.3 million for the three months ended March 31, 2020. This increase was primarily attributable to an increase in volume generated on our SOPHiA platform from existing customers as well as contributions from new customers onboarded during the period, as our bundle access model revenue increased by $1.7 million and Alamut license revenue increased by $0.1 million, partially offset by a decrease of $82 thousand in our dry lab access model revenue and a decrease of $0.3 million in our integrated access revenue. Workflow equipment and services revenue was $0.2 million for the three months ended March 31, 2021, compared to $0.2 million for the three months ended March 31, 2020. This increase was primarily attributable to additional revenue of $89 thousand generated from our COVID-19 testing business that launched in the second quarter of 2020, which was partially offset by a decrease of $21 thousand in our revenue from our set-up programs.
**Cost of Revenue**

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Three Months Ended March 31,</th>
<th>Change</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>(3,359)</td>
<td>(2,913)</td>
<td>446</td>
<td>15%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>5,617</td>
<td>4,568</td>
<td>1,049</td>
<td>23%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>63%</td>
<td>61%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost of revenue was $3.4 million for the three months ended March 31, 2021, compared to $2.9 million for the three months ended March 31, 2020. This increase was primarily attributable to an increase in computational and storage-related costs of $0.1 million and $0.1 million in amortization. Gross margin increased over the same period primarily due to a write-off of $0.2 million in inventory associated with a loss of a large customer opportunity in the three months ended March 31, 2020. Our manufacturing and supply agreement with IDT and OEM supply agreement with Qiagen contributed $0.5 million and $0.6 million to our cost of revenue, respectively, for the period ended March 31, 2021, compared to $0.6 million and $0.4 million, respectively, for the period ended March 31, 2020.

**Operating Expenses**

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Three Months Ended March 31,</th>
<th>Change</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development costs</td>
<td>(6,180)</td>
<td>(4,631)</td>
<td>1,549</td>
<td>33%</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(4,882)</td>
<td>(5,350)</td>
<td>468</td>
<td>9%</td>
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<tr>
<td>General and administrative costs</td>
<td>(8,633)</td>
<td>(4,002)</td>
<td>(4,631)</td>
<td>116%</td>
</tr>
<tr>
<td>Other operating income and (expense), net</td>
<td>24</td>
<td>(214)</td>
<td>238</td>
<td>(111%)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(19,671)</td>
<td>(14,197)</td>
<td>(5,474)</td>
<td>39%</td>
</tr>
</tbody>
</table>

**Research and Development Costs**

Research and development costs were $6.2 million for the three months ended March 31, 2021, compared to $4.6 million for the three months ended March 31, 2020. This increase was primarily attributable to an increase in headcount-related costs of $1.8 million as a result of increased hiring.

**Selling and Marketing Costs**

Selling and marketing costs were $4.9 million for the three months ended March 31, 2021, compared to $5.4 million for the three months ended March 31, 2020. This decrease was primarily attributable to lower variable expenses, particularly travel-related expenses due to COVID-19 restrictions, which decreased by $0.5 million and a decrease of $0.2 million in headcount-related costs, which was partially offset by a $0.3 million increase in commissions.

**General and Administrative Costs**

General and administrative costs were $8.6 million for the three months ended March 31, 2021, compared to $4.0 million for the three months ended March 31, 2020. This increase was primarily attributable to an increase of $2.0 million in headcount-related costs and of $2.0 million in advisory and audit costs related to this offering.
Other Operating Income and (Expense), Net

Other operating income and (expense), net was an income of $24 thousand for the three months ended March 31, 2021, compared to an expense of $0.2 million for the three months ended March 31, 2020.

Finance Income and (Expense), Net

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Three Months Ended March 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>1,561</td>
<td>(890)</td>
</tr>
</tbody>
</table>

Finance income and (expense), net was $1.6 million for the three months ended March 31, 2021, compared to an expense of $0.9 million for the three months ended March 31, 2020. This increase was primarily attributable to foreign exchange gains arising from intercompany transactions associated with the translation of foreign currency receivable balances and, to a lesser extent, foreign currency cash balances into SOPHiA GENETICS SA's functional currency of the Swiss franc.

Income Tax (Expense)/Benefit

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Three Months Ended March 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>(175)</td>
<td>(18)</td>
</tr>
</tbody>
</table>

Income tax expense was $0.2 million for the three months ended March 31, 2021, compared to $18 thousand for the three months ended March 31, 2020.

Liquidity and Capital Resources

Sources of Capital Resources

Our principal sources of liquidity were cash and cash equivalents totaling $74.6 million as of December 31, 2020 and $57.1 million as of March 31, 2021, which were held for a variety of growth initiatives and investments in our SOPHiA platform and related solutions, products and services as well as working capital purposes. Our cash and cash equivalents are comprised of bank and short-term deposits with maturities up to three months. Separately, we held term deposits and short-term investments with maturities between three and twelve months totaling $22.7 million as of December 31, 2020 and $21.2 million as of March 31, 2021.

We have funded our operations primarily through equity financing and, to a lesser extent, through revenue generated from the sale of access to our SOPHiA platform and related licenses, solutions, products and services. For the year ended December 31, 2020, we received $108.7 million in gross proceeds from our sale of an aggregate of 9,316,940 Series F preferred shares in June and September 2020. For the year ended December 31, 2020 and 2019, our revenue was $28.4 million and $25.4 million, respectively, and for the three months ended March 31, 2021 and 2020, our revenue was $9.0 million and $7.5 million, respectively. Invoices for our products and services are a substantial source of revenue for our business, which are included on our consolidated balance sheet as trade receivables prior to collection. Accordingly, collections from our customers have a material impact on our cash flows from operating activities. As we expect our revenue to grow, we also expect our accounts receivable and inventory balances to increase, which could result in greater working capital requirements.
On June 18, 2018, we entered into a Plain English Growth Capital Loan Agreement with TriplePoint and received a €5.15 million loan. The loan had a term of three years, and we were obligated to pay a termination charge of €322 thousand at maturity. The loan bore interest at 9.75% per annum and was scheduled to mature on June 1, 2021 and be repaid in 30 monthly installments commencing January 1, 2019. On November 16, 2020, we repaid the loan in full and terminated our principal obligations under the loan agreement, but we remain obligated to pay to TriplePoint a fee upon the completion of this offering in the amount computed as 6.5% of the amount of the committed loan facility of €10 million translated to CHF at a rate of 1.16 and divided by the strike price of CHF 3.65, which is equal to $ , based on an assumed public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus.

During 2020, we received several COVID-19 loans and grants. On March 26, 2020, SOPHiA GENETICS SA received a CHF 500 thousand loan from Credit Suisse (Switzerland) Ltd. under the government program in Switzerland, which bore interest at 0% per annum and was repaid in full on March 26, 2021. On May 29, 2020, SOPHiA GENETICS S.A.S. received a €1.4 million loan from Credit Agricole Pyrénées Gascogne under the government program in France, which bore interest at 0% per annum and matured on May 25, 2021 and was prepaid in full upon maturity. On May 29, 2020, SOPHiA GENETICS SA received a CHF 1.0 million loan from Credit Suisse (Switzerland) Ltd. under the government program in Switzerland, which bore interest at 1.175% per annum and matured on January 31, 2021 and was repaid in full upon maturity. On June 3, 2020, SOPHiA GENETICS, Inc. received a $745 thousand loan from Citizens Bank under the U.S. Paycheck Protection Program, which bore interest at 1.0% per annum and was forgiven along with the accrued interest pursuant to the U.S. Paycheck Protection Program on February 24, 2021. This loan was treated as a government grant for accounting purposes. We do not have any outstanding COVID-19-related loan obligations.

On April 1, 2021, we entered into a credit agreement with Credit Suisse (Suisse) SA that provides for maximum borrowings of up to €2.7 million (the “Credit Facility”). Borrowings under the Credit Facility accrue interest at 3.95% per annum. The term of each loan under the Credit Facility is fixed and agreed separately for each loan. The Credit Facility expires on March 31, 2022. Borrowings under the Credit Facility can only be used to finance laboratory automation equipment for NGS purposes. As of the date of this prospectus, we had € million in borrowings outstanding under the Credit Facility.

Uses of Capital Resources

Since our inception, we have incurred net losses, which have been significant in recent periods. For the years ended December 31, 2020 and 2019, our net losses were $39.4 million and $33.8 million, respectively, and for the three months ended March 31, 2021 and 2020, our net losses were $12.7 million and $10.5 million, respectively. As of March 31, 2021, we had an accumulated deficit of $150.3 million. Our primary use of capital sources has been to fund our operations and grow our business.

Operating Capital Requirements

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

- our ability to achieve revenue growth;
• our ability to secure any required regulatory clearance or approval for additional features, applications and data modalities of our SOPHiA platform and related solutions, products and services;
• the ability of our customers and collaborators to secure any required regulatory clearance or approval for their product candidates, other products and services the development of which they rely on our SOPHiA platform and related solutions, products and services;
• our rate of progress in, and cost of the sales and marketing activities associated with, establishing adoption of our SOPHiA platform and related solutions, products and services;
• the rate of progress in establishing payor coverage and reimbursement arrangements with domestic and international commercial third-party payors and government payors by us with respect to our products, if approved for IVD use, and by our customers and collaborators, with respect to their product candidates, other products and services;
• the cost of expanding our research and development, manufacturing and laboratory operations and products and services offerings;
• the cost of building out our facilities;
• our ability to maintain and expand our collaborations with biopharmaceutical companies, both advanced and early stage, and reference and specialist laboratories;
• our rate of progress in, and cost of research and development activities associated with, early research and development efforts;
• the effect of competing technological and market developments;
• market acceptance of our platform, products and services;
• costs related to international expansion; and
• the potential cost of, and delays in, product development as a result of regulatory oversight.

Unless and until we can generate sufficient revenue to finance our cash requirements, which may never happen, we may seek additional capital through a variety of means, including through public and private equity offerings and debt financings, credit and loan facilities and collaborations. Additional funds may not be available when we need them or on terms that are acceptable to us. See “Risk Factors—Risks Related to Our Financial Position and Capital Requirements.”

Cash Flows

Comparison of the Years Ended December 31, 2020 and December 31, 2019

The following table summarizes our cash flows for the years ended December 31, 2020 and 2019:

| (in USD thousands) | Year Ended December 31, |
|                   |       | 2020 | 2019 |
| Operating activities |     | (31,730) | (31,680) |
| Investing activities |     | (24,323) | (3,033) |
| Financing activities |     | 107,045 | (1,023) |
| Net increase/(decrease) in cash and cash equivalents | 50,992 | (35,736) |
| Effect of exchange rate differences on cash and cash equivalents | 5,564 | (102) |
Operating Activities

For the year ended December 31, 2020, net cash used in operating activities was $31.7 million, primarily attributable to our net loss of $39.3 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA platform, partially offset by a decrease in net working capital.

For the year ended December 31, 2019, net cash used in operating activities was $31.7 million, primarily attributable to our net loss of $33.8 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA platform.

Investing Activities

For the year ended December 31, 2020, net cash used in investing activities was $24.3 million, primarily attributable to our capital expenditures to support research and development and revenue-generation activities and an investment in a term deposit.

For the year ended December 31, 2019, net cash used in investing activities was $3.0 million, primarily attributable to our capital expenditures to support research and development and revenue-generation activities.

Financing Activities

For the year ended December 31, 2020, net cash provided by financing activities was $107.0 million, primarily attributable to the $108.7 million in aggregate gross proceeds from our sale of an aggregate of 9,316,940 Series F preferred shares in June and September 2020, partially offset by the use of proceeds to repay existing loan obligations.

For the year ended December 31, 2019, net cash used in financing activities was $1.0 million, primarily attributable to repayment of existing loan obligations.

Comparison of the Three Months Ended March 31, 2021 and March 31, 2020

The following table summarizes our cash flows for the three months ended March 31, 2021 and 2020:

<table>
<thead>
<tr>
<th>Net cash from/(used in):</th>
<th>Three Months Ended March 31,</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td>(10,121)</td>
<td>(7,010)</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
<td>(923)</td>
<td>(833)</td>
</tr>
<tr>
<td>Financing activities</td>
<td></td>
<td>(1,297)</td>
<td>6,134</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td></td>
<td>(12,341)</td>
<td>(1,709)</td>
</tr>
<tr>
<td>Effect of exchange rate differences on cash and cash equivalents</td>
<td></td>
<td>(5,171)</td>
<td>131</td>
</tr>
</tbody>
</table>

Operating Activities

For the three months ended March 31, 2021, net cash used in operating activities was $10.1 million, primarily attributable to our net loss of $12.7 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA platform.
For the three months ended March 31, 2020, net cash used in operating activities was $7.0 million, primarily attributable to our net loss of $10.5 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA platform.

Investing Activities
For the three months ended March 31, 2021, net cash used in investing activities was $0.9 million, primarily attributable to our capital expenditures to support research and development and revenue-generation activities.

For the three months ended March 31, 2020, net cash used in investing activities was $0.8 million, primarily attributable to our capital expenditures to support research and development and revenue-generation activities.

Financing Activities
For the three ended March 31, 2021, net cash used in financing activities was $1.3 million, primarily attributable to repayment of existing loan obligations.

For the three ended March 31, 2021, net cash provided by financing activities was $6.1 million, primarily attributable to the proceeds from the loan agreement we entered into with Credit Suisse (Switzerland) Ltd.

Contractual Obligations and Other Commitments
The following table summarizes our contractual obligations as of December 31, 2020.

<table>
<thead>
<tr>
<th>(in USD thousands)</th>
<th>Total</th>
<th>Less than 1 year</th>
<th>1 to 3 years</th>
<th>3 to 5 years</th>
<th>More than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>3,423</td>
<td>2,926</td>
<td>497</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>4,153</td>
<td>1,134</td>
<td>1,964</td>
<td>1,041</td>
<td>14</td>
</tr>
<tr>
<td>Other non-current financial liabilities(2)</td>
<td>1,024</td>
<td>—</td>
<td>1,024</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,600</td>
<td>4,060</td>
<td>3,485</td>
<td>1,041</td>
<td>14</td>
</tr>
</tbody>
</table>

(1) The amounts of contractual obligations set forth in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

(2) The amount refers to the fee payable to TriplePoint upon the completion of this offering. See “—Liquidity and Capital Resources—Sources of Capital Resources.”

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

In connection with the preparation of our consolidated financial statements and audit process for the years ended December 31, 2019 and December 31, 2020, we and our independent registered public accounting firm
have identified material weaknesses in our internal controls related to financial reporting. For each of the fiscal years ended December 31, 2019 and 2020, we have determined that we did not:

- design or maintain an effective control environment commensurate with our financial reporting requirements due to lack of sufficient accounting professionals with the appropriate level of skill, experience and training. Specifically, we lack sufficient financial reporting and accounting personnel with appropriate knowledge of IFRS to address complex technical accounting issues and to prepare consolidated financial statements and related disclosures;

- design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, year-end reporting and disclosures, including controls over the preparation and review of account reconciliations, journal entries and period end financial reporting; and

- design and maintain effective controls over certain information technology general controls for IT systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain: (a) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate personnel, (b) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately, and (c) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These material weaknesses resulted in adjustments to our consolidated financial statements during the audit process. We have taken and continue to take steps to remediate the aforementioned material weaknesses and to enhance our overall control environment, including hiring a key finance department employee with the appropriate expertise to support our Chief Financial Officer and Controller and retaining an accounting consulting firm to provide additional support to our technical accounting and financial reporting capabilities and support our finance department in the design and implementation of an improved internal controls system. We have also begun the process of reviewing and documenting our accounting and financial processes and internal controls, improving and formalizing accounting and reporting policies, and building out the appropriate technical, financial management and reporting systems infrastructure to automate and standardize such policies. We cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to these material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. See “Risk Factors—Risks Related to Our Business and Industry—We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business and the price of our ordinary shares.”

Off-Balance Sheet Arrangements

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

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk
We had cash and cash equivalents totaling $74.6 million and $18.1 million as of December 31, 2020 and 2019, respectively, which are comprised of bank and short-term deposits with maturities up to three months. We also had term deposits and short-term investments totaling $22.7 million and $0.4 million as of December 31, 2020 and 2019, respectively. 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.

Our current debt obligations bear interest at a fixed rate and are thus not subject to interest rate fluctuations.
We do not believe that a hypothetical 100 basis points change in interest rates would have a material effect on our business, financial condition or results of operations. We do not enter into investments for trading or speculative purposes. We do not use any financial instruments to manage our interest rate risk exposure.

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

The sensitivity of our income to possible changes in foreign exchange rates is measured at the local entity level as it depends on the functional currency of each entity. For the years ended December 31, 2020 and 2019, we were exposed principally to movements in four cross-currency pairs. The sensitivity of our loss before tax to such changes was as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / decrease in USD/CHF exchange rate by 10%</td>
<td>1,453 / (1,453)</td>
<td>741 / (741)</td>
</tr>
<tr>
<td>Increase / decrease in EUR/CHF exchange rate by 10%</td>
<td>836 / (836)</td>
<td>410 / (410)</td>
</tr>
<tr>
<td>Increase / decrease in GBP/CHF exchange rate by 10%</td>
<td>351 / (351)</td>
<td>328 / (328)</td>
</tr>
<tr>
<td>Increase / decrease in USD/EUR exchange rate by 10%</td>
<td>155 / (155)</td>
<td>322 / (322)</td>
</tr>
</tbody>
</table>

We do not believe that foreign exchange risk associated with other cross-currency pairs is material to our business, financial condition or results of operations.

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

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

114
**Inflation Risk**

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

**Critical Accounting Policies and Significant Judgments and Estimates**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise judgement in applying our accounting policies. Disclosed below are the areas which require a high degree of judgment, significant assumptions and/or estimates.

**Revenue**

We recognize revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Significant judgment is required to determine the stand-alone selling price ("SSP") for each performance obligation in our SOPHiA platform, the amount allocated to each performance obligation and whether it depicts the amount that we expect to receive in exchange for the related product and/or service. As the selling prices of our analyses are highly variable, we estimate SSP of our analyses using the residual approach when the analyses are sold with other products and services and observable SSPs exist for the other products and services. While the majority of sales agreements contain standard terms and conditions, we do enter into biopharma contracts that contain multiple products or services or non-standard terms and conditions.

**SOPHiA Platform**

The majority of SOPHiA platform revenue is derived from each use of our SOPHiA platform by customers to generate analysis on their patient data. Analysis revenue is recognized as analysis results are made available to the customer on our SOPHiA platform. Contract assets are recognized on the balance sheet as accrued contract revenue for any analyses performed by customers that have not been invoiced at the reporting period date. Any payments received in advance of customers generating analyses are recorded as deferred contract revenue until the analyses are performed.

Customers use our SOPHiA platform to perform analyses under three different models: dry lab access; bundle access; and integrated access. For dry lab arrangements, customers use the testing instruments and consumables of their choice and our SOPHiA platform and algorithms for variant detection and identification. In these arrangements, we have identified one performance obligation, which is the delivery of the analysis result to the customer.

For bundle arrangements, customers purchase a DNA enrichment kit along with each analysis. Customers use the DNA enrichment kit in the process of performing their own sequencing of each sample. Customers then upload their patient data to our SOPHiA platform for analysis. In these arrangements, we have identified two performance obligations: the delivery of the DNA enrichment kits and the performance of the analyses. Revenue is recognized for the DNA enrichment kits when control of products has transferred to the customer, which is generally at the time of delivery, as this is when title and risk of loss have been transferred. Revenue for the performance of the analyses is recognized on delivery of the analysis results to the customer.

Deferred contract revenue balances relating to analyses not performed 12 months after the date of the last platform usage are recognized as revenue. This policy is not based on contractual conditions but on our experience of customer behavior.
For integrated arrangements, customers have their samples processed and sequenced through selected SOPHiA platform partners within the clinical network and access their data through our SOPHiA platform. We have identified one performance obligation, which is delivery of the analysis results to the customer.

Through our SOPHiA platform, we also sell access to our Alamut software products. Some arrangements with customers allow customers to use Alamut as a hosted software service over the contract period without the customer taking possession of the software. Other customers take possession of the software, but the utility of that software is limited by access to our proprietary SOPHiA database, which is provided to the customer on a fixed term basis. Under both models, revenue is recognized on a straight-line basis over the duration of the agreement.

We also derive revenue from our SOPHiA platform by providing services to biopharma customers who engage us to (i) develop and perform customized genomic analyses and/or (ii) access the database for use in clinical trials and other research projects.

The biopharma contracts are generally unique, so the following steps are performed to determine the amount of revenue to be recognized and when it should be recognized: (1) identify the contract or contracts; (2) determine whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (3) measure the transaction price, including the constraint on variable consideration; (4) allocate the transaction price to the performance obligations based on estimated selling prices; and (5) recognize revenue when (or as) each performance obligation is satisfied.

Generally, the primary performance obligation in these arrangements is the delivery of analysis results in the form of a final report, resulting in revenue being recognized, in most cases, upon the issuance of the final report or successful recruitment of clinical trial participants.

**Workflow Materials and Services**

Revenue from workflow materials and services includes all revenue from the sale of materials and services that do not form part of a contract for the provision of platform services. These include the provision of set-up programs and training and the sale of kits and tests that are not linked to use of the platform. Set-up programs and training are typically combined with a customer’s first order prior to the customer beginning to use our SOPHiA platform.

Revenue from services is generally recognized when the services are performed. Revenue from materials is recognized when control of the goods is transferred to the customer, generally at the time of delivery. This category of revenue also includes the revenue from the sale of DNA sequencing automation equipment accounted for under IFRS 16, Leasing and the fees charged for the maintenance of this equipment.

**Arrangements with Multiple Performance Obligations**

We have determined that the stand-alone selling prices for services and DNA enrichment kits are directly observable. For set-up programs and training services sold along with dry lab arrangements or bundle arrangements, the stand-alone selling price of these services is determined on a time and materials basis. For DNA enrichment kits sold as part of a bundle, the stand-alone selling price is based on an expected cost-plus-margin approach.

We have determined that the stand-alone selling price for the analyses, in both a dry lab arrangement and bundle arrangement, is highly variable and therefore a representative stand-alone selling price is not discernible from past transactions. As a result, the residual approach is used to determine the stand-alone selling price of the analyses in dry lab arrangements that include services and in bundle arrangements that include DNA enrichment kits and, in some cases, services.
We also have a small number of bundle contracts with a fixed term, generally four years, that also include providing the customer with DNA sequencing automation equipment, which we have determined is an IFRS 16 leasing component. In these arrangements, we provide DNA sequencing automation equipment to the customer over the fixed term and at completion of the contract term the customer takes possession of the equipment. We have determined that we are a dealer lessor and provision of this equipment to the customer is classified as a finance lease. As a result, upon delivery of leased equipment at the inception of the agreement, a selling profit is recognized based on the fair value of the underlying equipment less the cost of the equipment. Over the term of the agreement, the minimum lease payment is deducted from the proceeds of the bundle sales in order to reduce the net investment in the corresponding lease receivable over the contract term and interest income is recognized as the discount on the lease receivable unwinds. The remaining proceeds from the contract are accounted for under IFRS 15, “Revenue from Contracts with Customers,” using the policies described above.

**Capitalized Internal Software Development Costs**

All work performed by our research and development personnel is tracked and allocated to codes based on the nature of the work done. The hours spent are costed on the basis of the related salaries, benefits and share-based compensation. The cost of work attributable to the development of new data analytics solutions and services or to the improvement or enhancement of existing solutions and services is capitalized, once it is evident that the project is technically and financially feasible and that it will bring economic benefits to us. Capitalized software development costs are amortized using the straight-line method over an estimated life of five years.

Costs incurred for research, for development projects that do not meet the capitalization criteria, for maintenance and for minor modifications are expensed when incurred and presented as research and development costs. Other, administrative costs are expensed and presented as general and administrative costs.

**Share-Based Compensation**

We have two share option plans: the SOPHiA GENETICS Incentive Stock Option Plan (as amended from time to time, the “2013 ISOP”) and the SOPHiA GENETICS 2019 Incentive Stock Option Plan (as amended from time to time, the “2019 ISOP,” and together with the 2013, the “ISOPs”). Under these plans, directors may offer options to directors, employees and advisors. The exercise price of the share options is set at the time they are granted. Options, once vested, can be exchanged for an equal number of ordinary shares.

**Measuring the Cost of Share Options**

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

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

<table>
<thead>
<tr>
<th></th>
<th>ISOP 2019</th>
<th>ISOP 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Three Months Ended March 31,</td>
<td>Year Ended December 31,</td>
</tr>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Strike price (in USD)</td>
<td>5.22</td>
<td>4.22</td>
</tr>
<tr>
<td>Share price at grant date (in USD)</td>
<td>6.18</td>
<td>4.36 and 4.87</td>
</tr>
<tr>
<td>Expected life of share options (years)</td>
<td>6.10 — 6.19</td>
<td>5.67 — 6.43</td>
</tr>
<tr>
<td>Expected volatility (%)</td>
<td>41.3% — 41.5%</td>
<td>39.8% — 43.6%</td>
</tr>
<tr>
<td>Risk free interest rate (%)</td>
<td>(0.63%) — (0.55%)</td>
<td>(0.53%) — (0.80%)</td>
</tr>
<tr>
<td>Forfeiture rate (%)</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Dividend yield (%)</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

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

- by reference to a contemporaneous transaction involving another class of share, using an adjusted form of the Black-Scholes option pricing model as described above, and considering the timing, amount, liquidation preferences and dividend rights of issues of other classes of shares; or
- on the basis of discounted cash flow forecasts, where there was no contemporaneous or closely contemporaneous transaction in another class of share and the time interval was too large to permit an assumption that there had been no significant change in our equity value.

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

Recognizing the Cost of Share Options

At each reporting date, we take a charge for the vested options granted and for partially earned but non-vested portions of options granted. This results in a front-loaded charge to the statement of income/loss. In addition, at each reporting date we reappraise our estimate of the likelihood and date of a future transaction that would cause all outstanding options to vest and, if necessary, accelerates the recognition of the unrecognized cost in the statement of income/loss. We account for these plans as equity-settled. The charge to the statement of income/loss therefore results in a corresponding credit being booked to “Other reserves” within equity.

Goodwill Impairment Testing

Goodwill arises from our acquisition of IBS in June 2018. Through this acquisition, we were able to add Alamut to our existing SOPHiA platform.

Goodwill is tested for impairment annually and also when there is an indication of impairment. No impairment charge has been recorded in relation to goodwill. As we operate as one segment, goodwill is tested by considering its recoverability in terms of the entire business. Management assesses the recoverable value of goodwill by comparing the value of our equity value, either inferred from the prices of share issues or based on discounted cash flow forecasts, with the net assets as reported in our financial statements. The value of our equity as of January 1, 2019 was based on the application of an option pricing model, using the back solve.
method, to a share transaction in December 2018. The values as of December 31, 2019 and 2020 were based on discounted cash flow projections, which in turn were based on historical results and ratios updated to reflect management’s expectations of future growth and profitability and discounted using a weighted average cost of capital derived from an analysis of comparable selected public companies. Critically, the values based on a discounted cash flow approach were found to be consistent with a value based on the share transaction in September 2020.

**Defined Benefit Pension Liabilities**

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of income/loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in income as past service costs.

For defined contribution plans, we pay contributions to publicly or privately administered pension insurance plans. Employee contributions to these plans is voluntary and these contributions are matched by the employer. We have no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Contributions are charged to the statement of income/loss as incurred.

**Expected Credit Losses**

Accounts receivable-trade balances are non-interest bearing and payment terms are generally under agreements with payment terms of up to 180 days. Our customers are mainly government-owned or government-funded hospitals and laboratories with a low credit risk. We have had minimal instances of actual credit losses and consider that this will continue to be the case.

We have adopted the simplified method indicated in IFRS 9 to build our allowance for expected credit losses. No provision matrix is used, as we have not identified any patterns or correlations that would form the basis for such a matrix. Allowance is made for lifetime expected credit losses as invoices are issued. The amount of allowance initially recognized is based on historical experience, tempered by expected changes in future cash collections, due, for example, to expected improved customer liquidity or more active credit management.
Income Taxes

Unrecognized Deferred Tax Liability on Retained Earnings of Subsidiaries

We do not provide for foreign income and withholding taxes, Swiss income taxes or tax benefits on the excess of the financial reporting basis over the tax basis of our investments in foreign subsidiaries to the extent that such amounts are indefinitely reinvested to support operations and continued growth plans outside of Switzerland. We review our plan to indefinitely reinvest on a periodic basis. In making our decision to indefinitely reinvest, we evaluate our plans of reinvestment, our ability to control repatriation and to mobilize funds without triggering basis differences, and the profitability of our Swiss operations and their cash requirements and the need, if any, to repatriate funds. If the assessment of our company with respect to any earnings of our foreign subsidiaries’ changes, deferred Swiss income taxes, foreign income taxes, and foreign withholding taxes may have to be accrued. Based on our assessment, we plan to indefinitely reinvest any undistributed foreign earnings as at December 31, 2020. In addition, the determination of any unrecognized deferred tax liabilities for temporary differences related to our investment in foreign subsidiaries is not practicable.

Uncertain Tax Positions

We file tax returns as prescribed by the tax laws of the jurisdictions in which it operates and therefore subject to tax examination by various taxing authorities. In the normal course of business, we are subject to examination by local tax authorities in Switzerland, France, Brazil, Australia, the U.K. and the United States. We are currently under examination in France for our 2018 and 2019 tax returns and are not aware of any issues under review that could result in significant payments, accruals or material deviation from our tax positions. There are no other tax examinations in progress.

We record tax liabilities or benefits for all years subject to examination based upon management’s evaluation of the facts, circumstances and information available at the reporting date. There is inherent uncertainty in quantifying income tax positions, especially considering the complex tax laws and regulations in each of the jurisdictions in which we operate.

Derivatives

We have an obligation to pay a fee linked to a loan from TriplePoint that is now repaid. See “—Liquidity and Capital Resources—Sources of Capital Resources.” The obligation has many features of a cash-settled share option. It is revalued at fair value at each reporting date using an option pricing model based on a Monte Carlo simulation.

Key assumptions in the valuation of this derivative include:

<table>
<thead>
<tr>
<th></th>
<th>As of March 31, 2021</th>
<th>As of December 31, 2020</th>
<th>As of January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity value (in USD thousands)</strong></td>
<td>433,863</td>
<td>465,307</td>
<td>252,730</td>
</tr>
<tr>
<td><strong>Expected time of the sale or IPO</strong></td>
<td>75% — 2.75 years</td>
<td>75% — 3 years</td>
<td>3 years</td>
</tr>
<tr>
<td></td>
<td>25% — 0.50 years</td>
<td>25% — 0.75 years</td>
<td></td>
</tr>
<tr>
<td><strong>Volatility</strong></td>
<td>50%</td>
<td>50%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Recent Accounting Pronouncements

In connection with our recent adoption of IFRS for the preparation of our financial statements, certain new accounting standards and interpretations have been published that are not mandatory for the applicable reporting periods and have not been adopted early by us. These standards are not expected to have a material impact.
impact on the entity in the current or future reporting periods and on foreseeable future transactions. See Note 35 to our audited consolidated financial statements.

Emerging Growth Company Status

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

Subject to certain conditions, as an emerging growth company, we intend to rely on certain of these exemptions, including without limitation, (i) providing an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board, regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (ii) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering; (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.
Business

Our Mission

SOPHiA GENETICS was founded to generate clinically actionable insights from data to improve patient outcomes. Our mission is to provide equal access to knowledge and capabilities by democratizing data-driven medicine.

We observed that across the healthcare ecosystem, a vast amount of digital healthcare data was being generated, fueled by technologies such as NGS, and which held promise to accelerate the understanding of biology and disease. However, this data has been generated primarily using non-standardized methods and by clinicians and researchers across many healthcare institutions. As a result, the data remained siloed and complex and was not fully leveraged for the benefit of patients.

We founded SOPHiA GENETICS to change this. We are unlocking data siloes, leveraging AI to generate actionable insights from data and helping healthcare professionals work together as a community and deploy their collective expertise for the benefit of patients around the world.

We refer to data-driven medicine as the practice of drawing insights from complex data sets to improve diagnosis, treatment and drug development. Using data-driven medicine, healthcare professionals supplement their own experience and intuition with data insights and shared knowledge from their peers to inform the best course of action for their patients or research. Our goal is to empower clinicians and researchers around the world to practice data-driven medicine and improve clinical and scientific outcomes.

Overview

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

In 2014, we launched the first application of our platform to analyze NGS data for cancer diagnosis. As of March 31, 2021, we had approximately 240 applications used by healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies for precision medicine across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. In 2019, we launched our solution for radiomics data that enables longitudinal monitoring of cancer patients and tumor progression throughout their disease journey. Today, we believe that our SOPHiA platform, commercialized under the name “SOPHiA DDM,” is one of the most widely used decentralized analytics platform globally for clinical genomics. As of March 31, 2021, we served more than 750 hospital, laboratory and biopharma customers globally through our SOPHiA platform and related solutions, products and services, and our SOPHiA platform has supported the analysis of more than 700,000 genomic profiles and has been utilized in clinical trials and research projects discussed in more than 200 peer-reviewed publications. As of March 31, 2021, we had 348 recurring SOPHiA platform customers (defined as the number of customers who generated revenue during the specified time period, which, in this case, is the twelve months ended March 31, 2021). We commercialize our SOPHiA platform and related solutions, products and services as RUO and CE-IVD products. In the United States, our products are
labeled and sold for research use only. Because such products are not intended for use in clinical practice and diagnostics and cannot make clinical or diagnostic claims, the FDA regulations require that RUO products be labeled “For Research Use Only. Not for use in diagnostic procedures.” In the EU, we have self-certified our products without the intervention of a notified body in order to affix the CE marking.

Data-driven medicine has become possible through technological breakthroughs, like NGS, that have driven creation of digital healthcare data and an accelerated understanding of biology and disease. While genomics has played a large role in these advances, emerging technologies such as radiomics, digital pathology and proteomics are creating new data sets that add phenotypic context to genomic information. Additionally, the adoption of EHRs has enabled the matching of clinical outcome data to these data sets. The digital format of these data sets makes them ideal candidates for data exploration, analysis and interpretation by advanced algorithmic computing solutions. We believe that analytics approaches have traditionally primarily focused on analyzing data from a single modality and not on combining structured data from multiple modalities. Although some institutions and laboratories have created service-based business models designed to capture multimodal data, these approaches are typically centralized at a single institution, which we believe limits their ability to scale globally.

With our SOPHiA platform, we have the potential to serve and collaborate with all types of institutions in the global life sciences ecosystem, including healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies. Our platform is built on a decentralized model in which we push data analytics solutions to our customers’ sites, rather than a centralized model that requires samples to be sent to a central location. Our customers therefore generally perform testing on their own samples, retain custody of both their sample and data, and use our SOPHiA platform to analyze the pseudonymized data and share insights with other sites in our network. Through this process, we create and grow a global collective intelligence. Our platform is designed to improve as we analyze more data over time, leveraging AI and then sharing the benefits of this growing collective intelligence with our customers.

We believe that our global platform empowers better patient care through data-driven medicine by offering the following benefits for customers:

• high accuracy genomic analysis to support clinical diagnosis and life sciences research;
• rapid turnaround time for data analysis and insights;
• ability to lower cost of data analysis through higher efficiency;
• capacity to develop their own in-house precision medicine expertise and operations, retain custody of their samples and data and use their preferred instrument setup; and
• option to rapidly launch new precision medicine applications on our SOPHiA platform.

We believe that our strategic positioning as a universal healthcare analytics platform for multimodal data analytics offers us a broad range of product and service expansion opportunities and significant long-term growth in our total addressable market opportunity. We estimate the total addressable market opportunities in 2020 for our current commercial clinical applications and for our current biopharma applications were approximately $21 billion and $14 billion, respectively.

We offer a range of platform access models to meet our customers’ needs. Our primary pricing strategy 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 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 with other
products used in the genomic testing process to provide customers integrated products in the testing workflow. As of March 31, 2021, our direct sales team consisted of more than 70 field-based commercial representatives and we had a presence in 70 countries, including 9 countries in which we offer our SOPHiA platform and related solutions, products and services through distributors.

The Importance of Data-Driven Medicine

Over the last decade, there has been an explosion in the amount of healthcare data. This growth has been fueled by technologies that enable high throughput analysis and data generation at large scale, as well as the collection and digitization of real-world health data in EHRs. The ability to draw insights from this data has led to an acceleration in the understanding of biology and disease and paved the way for data-driven medicine.

Data-driven medicine aims to produce better clinical and scientific outcomes by drawing insights from complex data sets to improve diagnosis, treatment and drug development. Using data-driven medicine, healthcare professionals are able to supplement their own experience and intuition with shared knowledge and data insights from their peers and have the potential to select the best course of action for their patients or research.

Genomics is propelling data-driven medicine. The development of large-scale genomics data is advancing data-driven medicine. With broad access to NGS technologies, the life sciences field is beginning to successfully document the relationship between the genome and various diseases and is deploying this information to improve clinical and scientific outcomes. This has given rise to the field of precision medicine, which is having an increasing impact on a range of life sciences areas. In oncology, for example, advancements in genomics and the understanding of cancer have fueled the growth of a large precision oncology ecosystem, in which genomic information is critical to informing diagnostic, treatment and drug development decisions. In other areas such as rare diseases, cardiology, neurology, metabolism and infectious diseases, the adoption of data-driven medicine is just beginning and represents a significant opportunity for growth. For instance, in cardiology, clinical genomics is becoming more common for screening, diagnostic and therapy selection for certain inherited conditions, while in neurology, clinical genomics is helping direct treatment decisions for therapeutic intervention.

Multimodal data provides novel and deep insights to assess health and disease states. While the growing understanding of genomics has dramatically advanced the life sciences field and data-driven medicine, it is only one piece of the biological equation. Phenotypic information is also needed to put genomic information into context and provide a more complete picture of biology and disease. Driven by this need, innovation is accelerating across new health technologies, such as radiomics, digital pathology and proteomics, providing this phenotypic context. We believe that combining data from different instrument modalities, or a multimodal approach, will transform clinical and scientific outcomes by generating clinically actionable insights from combined relevant healthcare data sets. If leveraged properly, these data sets have the potential to provide a stronger “signal,” or window into biology and disease, than any single modality alone. In oncology, for example, oncologists can characterize the genetic determinants of a tumor at the time of diagnosis and complement this with phenotypic information through radiomics analysis of CT, MRI, SPECT and PET imaging, digital pathology analysis of histology slides and proteomics analysis of the tumor stroma and blood samples. Then, throughout a patient’s disease journey, the oncologist can collect longitudinal insights through imaging, liquid biopsies and proteomics assessment of repeat blood sampling. This information can be aggregated and linked to clinical outcome data to find associations between disease evolution and response to therapy. In addition, deep-learning algorithms applied to multimodal data sets now make it possible to predict the evolution of a disease or the response to a specific treatment with high accuracy, in order to inform the best treatment decisions for the patient. These unique insights are driving the opportunity and demand for analytics platforms that can draw clinically actionable insights from this information.

124
AI/ML produce novel insights from large and complex data sets. The output of these new health technologies is generated in a digital format, making data highly amenable to advanced algorithmic computing solutions for exploration, analysis and interpretation. AI approaches have enabled the ability to standardize, classify, analyze and interpret massive volumes of data, and separate the signal from the noise. Large volumes of digital information across modalities can then be mined using AI approaches to generate novel insights, enabling truly data-driven medicine.

Challenges to the Adoption of Data-Driven Medicine Today

While we believe that data-driven medicine has the potential to transform healthcare, currently, there are significant challenges that limit its democratization and adoption at scale. These challenges include:

- **Lack of data harmonization and standardization across the healthcare ecosystem.** Data is often produced with different approaches and methodologies, which can result in dramatic variability in data quality. In the clinical genomics field, for example, every experimental step, from using different technologies for nucleic acid extraction and DNA or RNA amplification to using different models of NGS instruments, could lead to inconsistent data across sites and experiments, or “noise” in the data. As a result, obtaining a comparable set of clinical genomics data can be challenging, particularly in decentralized settings in which inter-laboratory variability can be considerable.

- **Data silos and lack of knowledge sharing.** Most healthcare data is produced by different healthcare institutions and by centralized laboratories that use different instrument modalities. As a result, data is created and remains in siloes. In hospitals, for example, clinicians may struggle to collect and piece together data sets from clinical genomics to pathology to medical imaging for patients that have been produced in different, non-standardized ways. Pharmaceutical companies face similar challenges when reconciling their clinical trial data with disparate real-world data sources, resulting in highly variable quality of insights.

- **Barriers to collaboration.** Healthcare professionals and researchers may be limited in their ability to share their patients’ healthcare data for various reasons, such as privacy or concerns over losing control of their data. In addition, they have difficulties collaborating with peers from different sites or different fields. As a result, collaborations among healthcare professionals and researchers across different sites and fields is suboptimal.

- **Healthcare infrastructure is designed to facilitate healthcare delivery at a local or regional level, rather than on a global scale.** Healthcare infrastructure is generally designed around centralized institutions, such as hospitals and laboratories, that generate data within their own facilities. This centralized design is not built to scale or to provide equal access to data-driven medicine globally.

- **Existing software analytics approaches are limited in their ability to generate insights from multimodal data.** Traditional approaches to software analytics solutions have primarily focused on analyzing data from a single modality and not on combining structured data from multiple modalities. Existing analytical software solutions thus have limited utility to generate insights from multimodal information.

Our SOPHiA Platform

We believe that a decentralized platform is necessary to create the largest network that will bring the benefits of big data to customers and to both support, and benefit from, growth across the healthcare ecosystem. We purposefully built a cloud-based SaaS platform capable of being used in decentralized locations and of analyzing data from multiple modalities and that can be scaled globally. With our SOPHiA platform, we have the potential to serve and collaborate with a variety of types of institutions in the healthcare ecosystem, including healthcare providers, centralized laboratories and biopharmaceutical companies.

Our SOPHiA platform is a global, cloud-based SaaS platform that we began building in 2011. It is powered by our SOPHiA AI that standardizes, computes and analyzes digital health data, generating insights from complex
multimodal data sets that have the potential to improve diagnosis, therapy selection and drug development. Our customers generally perform testing on their own samples, retain custody of both their sample and data, and use our SOPHiA platform to analyze the pseudonymized data and share insights with each other. Through this process, we create and grow a collective intelligence. We offer multiple platform access models that enable customers to choose how they want to use our platform and customer network. These range from models in which customers produce their own data independently through their own testing operations to those in which customers produce the data through testing operations provided by our network of customer institutions. In all cases, customers access their data and our analytics through our SOPHiA platform. Our platform is designed to continually improve as we analyze more data over time, leveraging AI and then sharing the benefits of this growing collective intelligence with our customers.

We believe that our SOPHiA platform addresses key challenges to the adoption and democratization of data-driven medicine by:

- **Enabling data harmonization and standardization across the healthcare ecosystem.** The accuracy of our pattern-recognition AI/ML-based algorithms enables our platform to separate the signal from the noise and standardize data at high-quality levels.

- **Breaking down data silos.** We empower our customers to practice data-driven medicine through a decentralized model and support clinicians, laboratories and researchers across the healthcare ecosystem to improve clinical and scientific outcomes.

- **Empowering clinicians and researchers to collaborate with peers from different sites or different fields.** Our customers use our platform to share insights with each other across sites in our network. Our platform is designed to improve as we analyze more data over time, leveraging AI and then sharing the benefits of this growing collective intelligence with our customers.

- **Offering a highly scalable platform.** We designed our cloud-based SaaS platform to be capable of scaling globally and to use AI to leverage the data that this scale provides.

- **Generating insights from complex multimodal data sets.** We believe our platform is uniquely positioned to combine high-quality data at the patient level to generate multimodal insights, leveraging the power of advanced AI/ML models.

The following figure shows how our SOPHiA platform functions within the healthcare ecosystem.

*Our SOPHiA Platform within the Healthcare Ecosystem*
We launched the first commercial application of our platform in 2014 to analyze NGS data for cancer diagnosis. As of March 31, 2021, we had approximately 240 applications focused on 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.

**Our Network and Data**

Today, we believe that our SOPHiA platform, commercialized under the name “SOPHiA DDM,” is one of the most widely used decentralized analytics platform globally for clinical genomics. As of March 31, 2021, we served approximately 400 hospitals and laboratory customers globally through our SOPHiA platform who are part of our clinical genomics network. The establishment and creation of this network of customers has enabled us to capture and compute more than 700,000 raw clinical genomics profiles in oncology and other genetic-related disorders as of March 31, 2021, growing by more than 20,000 new profiles on a monthly basis. The following figure shows the growth in the aggregate number of genomics profiles analyzed by our SOPHiA platform from 2016 to 2020.

*Growth in Total Number of Genomic Profiles Analyzed by Our SOPHiA Platform*

In addition, as of March 31, 2021, we had approximately 430 customers that use our Alamut suite of genomics mutation interpretation software, approximately 80 of which also used our SOPHiA platform. Our add-on Alamut software is connected to our SOPHiA platform via an application programming interface (“API”) and gives our customers advanced analytics capabilities for a deeper and more informed genomic data interpretation.

**Our SOPHiA Platform Architecture**

We believe that our platform architecture allows our platform to be highly flexible and scalable in terms of analyzing larger volumes of data, supporting additional data modalities, expanding to new geographies and deploying new applications and functionalities. This flexibility and scalability comes from our platform’s underlying architecture that is developed based on a deep understanding of our users’ needs and a thorough domain model, allowing us to build re-useable User Interface (“UI”) components and services to interact with the data. Our SOPHiA platform includes multiple tailored analytics engines, each tuned to specific domains and use cases. Each domain is responsible for its own data with a common shared data model that allows powerful Extract-Transform-Load (ETL) pipelines to process specific data sets, integrating data into a series of regional data warehouses that enable comprehensive and performant multimodal queries to be run across the entire global data set. The following figure shows our eight regional data centers and the countries they cover.
As of March 31, 2021, this platform architecture was deployed in 70 countries through our cloud-based solution. We have developed significant operational experience by running such a large-scale cloud-based platform, which we believe enables us to deploy rapidly in new geographies. We have demonstrated that we can deploy in a new geography in approximately four weeks if appropriate cloud infrastructure exists such as Microsoft Azure, Amazon Web Services or Google Cloud Platform, or in approximately 12 weeks if such cloud infrastructure does not exist.

We regularly release platform updates. Through these updates, we offer our customers either new content, in the form of new applications, or improvements to existing applications, such as new functionalities. We believe the frequency of our updates is a competitive advantage in a rapidly evolving precision medicine ecosystem and allows our customers to benefit from new biological discoveries, such as genomic associations, that are reflected on the platform.

**Cybersecurity**

As part of our business, we collect, transmit, receive, process, use and store pseudonymized data provided by our customers. Our customers are required to obtain their patients’ consent to our use of the data. We use security techniques designed to safeguard data received from our customers using a combination of data architecture, pseudonymization, anonymization, minimization and segregation, and process and store this data only in accordance with our agreements with customers and applicable data protection laws and regulations. This data is aggregated and analyzed by our proprietary algorithms and models in our SOPHiA platform to generate insights. These insights, which show aggregated and general trends without identifying specific patients and without providing personally identifiable information, form the growing collective intelligence that we provide to our customers.

Cybersecurity and data protection are core tenets of our company. We have processed hundreds of thousands of genomic profiles and continue to process more than 50 terabytes of data each month for our customers around the world, subject to applicable data protection laws and regulations, including HIPAA and the GDPR. We accomplish this through our global compliance framework that integrates specialized and dedicated personnel,
procedures and controls and ISO/IEC 27001:2013 security infrastructure to protect data against damage, loss and unauthorized access, use, modification, disclosure or other misuse.

**Applications of Our Platform**

We currently have commercial applications targeting both clinical and biopharma markets. We serve our clinical market customers through two offerings of our SOPHiA platform. Our first offering is our SOPHiA DDM platform for clinical genomics, which as of March 31, 2021 spanned approximately 240 unique applications that we market for analyzing genomic data across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. Our SOPHiA DDM platform empowers customers to build their own precision medicine operations, including testing, and then use our platform to generate insights from their data. Our second offering is our Alamut suite of genomics mutation interpretation software, which is connected to our SOPHiA DDM platform and gives our customers advanced analytics capabilities for a deeper and more informed genomic data interpretation.

Approximately 70% of our revenue from clinical customers in the year ended December 31, 2020 was attributable to oncology applications, while approximately 30% was attributable to other disease areas such as rare diseases, cardiology, neurology and metabolism, with applications ranging from targeted gene panels to whole-exome solutions. As of March 31, 2021, our portfolio of clinical genomics solutions included four CE-IVD NGS solutions and more than 235 RUO NGS solutions. In the future, we intend to pursue IVD status and FDA approval for specific solutions. We also intend to support external collaborators in deploying their own IVD or FDA-approved solutions on our SOPHiA platform.

We serve our biopharma customers by leveraging the capabilities of our SOPHiA platform to help customers solve bottlenecks across the biopharma value chain, including throughout discovery, clinical development and commercialization stages. We currently have four applications for biopharma customers: SOPHiA Insights for generating insights pre- and post-approval of a drug based on our own proprietary SOPHiA platform data sets or on the biopharma customers’ own data sets; SOPHiA Trial Match for clinical trial recruitment of biomarker-defined patient populations; SOPHiA CDx for companion diagnostics development and deployment in our decentralized network of customer institutions; and SOPHiA Awareness for providing real-world insights into NGS testing to inform market-shaping and commercialization strategies. We launched our initial applications for the biopharma market in 2019.

The following figure shows our applications that we currently commercialize across both clinical and biopharma markets.

**Our SOPHiA Platform’s Applications Currently in Market**

<table>
<thead>
<tr>
<th>Clinical Applications</th>
<th>Biopharma Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SOPHiA DDM</strong></td>
<td><strong>SOPHiA Trial Match</strong></td>
</tr>
<tr>
<td>Approximately 240 applications for analyzing genomic data, empowering customers to build their own precision medicine operations</td>
<td>Place “molecular alerts” in our SOPHiA platform to accelerate biomarker-defined patient enrollment into clinical trials</td>
</tr>
<tr>
<td><strong>Alamut</strong></td>
<td><strong>SOPHiA Insights</strong></td>
</tr>
<tr>
<td>SaaS-based genomics analysis software that allows customers deeper and more informed genomic data interpretation</td>
<td>Leverage our SOPHiA platform dataset and multimodal analytics capabilities to generate insights pre- and post-approval of a drug</td>
</tr>
<tr>
<td></td>
<td><strong>SOPHiA CDx</strong></td>
</tr>
<tr>
<td></td>
<td>Leverage SOPHiA’s capabilities to develop variant detection and identification algorithms to support companion diagnostics programs</td>
</tr>
<tr>
<td></td>
<td><strong>SOPHiA Awareness</strong></td>
</tr>
<tr>
<td></td>
<td>Provide real-world insights on NGS testing to support biopharma customers’ market-shaping and commercialization strategies</td>
</tr>
</tbody>
</table>

**Oncology • Rare Diseases • Cardiology • Neurology • Metabolism**

129
Table of Contents

Clinical Applications
In the clinical market, we currently serve three main customer segments: academic and non-academic hospitals (including comprehensive cancer centers and children’s hospitals), reference laboratories and specialty laboratories. We currently serve our clinical market customers through two offerings of our SOPHiA platform: our SOPHiA DDM platform for clinical genomics and our Alamut suite of genomics mutation interpretation software.

Oncology Applications
Our oncology applications support both germline and somatic oncology testing across both solid and liquid tumors. Our commercial oncology applications support diagnosis, therapy selection and disease monitoring. Our SOPHiA platform also supports the deployment of novel oncology testing applications. In genomics, this includes liquid biopsy-based early cancer screening as well as treatment response monitoring and minimal residual disease monitoring. In radiomics, this includes diagnosis, prediction of disease evolution and response to specific therapies, as well as longitudinal follow-up of the tumor for treatment response monitoring. The following figure shows our current applications in oncology.

Non-Oncology Applications
Our non-oncology applications currently focus on disease areas such as rare diseases, cardiology, neurology and metabolism, with applications ranging from targeted gene panels to whole-exome solutions. While clinical genomics applications are still emerging in these disease areas, we expect significant opportunity as the life sciences field continues to establish the genetic determinants of high-profile diseases such as hereditary cardiovascular conditions, multiple sclerosis, Alzheimer’s disease, autism and metabolic syndrome. We also see significant promise of multimodality in these other disease areas, for example, in cardiology by generating novel multimodal insights stemming from the joint analysis of genomics data, radiomics analysis of ultrasound images and analysis of electrocardiograms.

Our SOPHiA Platform in Genomics
We believe that our technical capabilities are cutting-edge in the genomics space. Our platform can process data from any type of biological sample, including fresh frozen tissue, formalin-fixed paraffin-embedded samples as well as liquid circulating tumor DNA samples. It can also process data from any nucleic acid source across DNA and RNA. We can identify with confidence any type of genomic alteration, including single nucleotid variants (“SNVs”), insertions-deletions (“indels”), copy-number variations (“CNVs”) and gene fusions, as well as more complex mutational signatures such as microsatellite instability (“MSI”), tumor mutational burden.
Table of Contents

("TMB"), homologous recombination deficiency or minimal residual disease. Our smart algorithms allow us to reach high accuracy on the detection and identification of challenging genomic alterations, such as mutations in CEBPA or FLT3-ITD, MET exon14 skipping mutations, or rare gene fusions. The following figure shows our SOPHiA platform's capabilities in genomics.

Our SOPHiA Platform's Capabilities in Genomics

Our SOPHiA platform clinical genomics workflow involves CLIA-CAP and equivalent laboratories in academic hospitals, comprehensive cancer centers, children's hospitals and reference and specialty laboratories collecting patient samples and conducting the genetic sequencing on their premises. In doing so, they can use different NGS solutions on different NGS sequencing instruments.

For somatic oncology applications, for example, the laboratory technician logs into our SOPHiA platform and loads the raw, pseudonymized, NGS data of multiple patients from the sequencing run, indicating the oncology indication to be investigated. The genomics data is securely transferred to our platform that operates globally in eight different regional data centers, keeping the data closest to the customer and complying with all local data handling requirements. The data is automatically recognized by our AI-based smart algorithms that check data quality. All types of genomic variants and signatures are then detected and identified with high accuracy, including SNVs, indels, CNVs, fusions, MSI and TMB. This molecular information is then annotated and pre-classified using AI/ML techniques.

The principal investigator, usually a pathologist or geneticist (for germline applications), accesses the results and completes the interpretation. The principal investigator may flag or store the genomic variants that he or she has recognized as being associated with a certain disease on our platform. Because of the decentralized nature of our network, other users in different sites can see the aggregated flagging of a specific variant from the community to further assist their own interpretation. The more interpretations being conducted in our platform, the more novel knowledge is generated and made available to our community. Our platform is...
particularly easy to use as it does not require an additional technician and provides a user-friendly interface to upload data and navigate data analytics. We believe that this ease-of-use, coupled with the scale of our decentralized platform, will empower our users to continue to rapidly uncover new variants.

This workflow is technology-agnostic in terms of sequencer type and sample preparation technology and supported approximately 240 different commercial NGS solutions as of March 31, 2021. The following figure shows our SOPHiA platform’s genomics workflow.

Our SOPHiA Platform in Radiomics

We believe that our technical capabilities are cutting-edge in the radiomics space. We can process and analyze data from any type of three-dimensional medical imaging technology, including CT, PET, MRI and SPECT scanners. We have developed AI/ML-powered segmentation algorithms that detect tumors in the scans and that segment and reconstruct tumors in three dimensions on our SOPHiA platform. Our current segmentation applications cover a wide range of major tumor types, including lung, breast, liver, kidney and brain cancer, supporting the analysis of primary and secondary (i.e., metastatic disease of another organ origin) tumors. In addition, we are developing new applications in areas such as colorectal, prostate, ovarian or neuroendocrine cancers. Radiomics features extraction is conducted on segmented tumors, generating hundreds of data points across volumetric, morphological, first order (i.e., heterogeneity), second order (i.e., texture), and deep-learning generated features. Our features extraction process is compliant with the Image Biomarker Standardization Initiative (IBSI) recommendations, such that results from our radiomics analyses are standardized and can be readily compared with similar analyses globally. Through our segmentation and radiomics features extraction steps, we turn existing medical images into hundreds of novel data points. We offer radiomics applications ranging from disease detection, discrimination of disease histological subtypes, prediction of tumor evolution and prediction of disease progression. In the future, we intend to develop additional radiomics applications for existing and new tumor types, as well as for disease areas outside of oncology, such as cardiology, neurology and metabolism. Additionally, we may expand applications to other imaging modalities such as two-dimensional modalities (e.g., ultrasound, traditional x-rays) as well as testing modalities that can be processed through imaging-based approaches (e.g., electrocardiograms). The following figure shows our SOPHiA platform's capabilities in radiomics.
While the data modality is different for radiomics compared to genomics, the same overall workflow and principles apply. The user, typically a radiologist, identifies the relevant medical images for a specific patient in the local picture archiving and communication system. The user then uploads the images into our SOPHiA platform. For a metastatic lung cancer case, for example, deep learning proprietary algorithms automatically detect the imaging modality, recognize the organ, segment the tumor and extract more than 200 radiomics features from the tumor image. These radiomics features can then be aggregated with genomics, clinical and biological data from the same patient. The following figure shows our SOPHiA platform workflow for radiomics.

Our SOPHiA Platform in Multimodal Data Analytics

We can support the multimodal analysis of any source of digital health data, developing machine learning predictive models of aggregated multimodal data stacks for the same patient. We can support the analysis of clinical, biological, genomics, radiomics data today and intend to support additional data modalities such as digital pathology, proteomics, spatial genomics and metabolomics in the future.

We offer a range of predictive modelling applications ranging from disease screening, disease early detection, disease diagnosis and subtype discrimination, prediction of disease evolution, prediction of response to
therapy, therapy selection and monitoring. We develop these multimodal predictive models in close collaboration with leading academic institutions together with cross-functional teams consisting of treating physicians (such as oncologists), radiologists and pathologists. Illustrative examples of advanced clinical research projects in which we have proof-of-concept data include prediction of response to anti-PD-1 immunotherapy for patients with metastatic non-small cell lung cancer, and prediction of pathological complete response after neoadjuvant therapy for patients with triple-negative breast cancer. For example, we sponsored a retrospective 57-patient analysis of the use of nivolumab for the treatment of relapsed or refractory non-small cell lung cancer to identify predictive markers of immune-oncology response based on multiple sources of data through machine learning analysis. We found that machine learning could help predict a patient's response using baseline data and can help identify markers that are predictive of the patient's response. We are sponsoring multimodal clinical studies to refine and assess the clinical significance of some of these multimodal signatures, which we believe will enable us to further improve our SOPHiA platform and develop new predictive algorithmic models that we can then deploy on our platform to serve a wide range of stakeholders, including oncologists and other treating physicians.

The following figure shows our SOPHiA platform's capabilities in multimodal data analytics.

Biopharma Applications
In the biopharma market, we currently serve two main customers segments: pharmaceutical and biotechnology companies and CROs. Leveraging both our SOPHiA platform data and our customers' own proprietary data through our AI/ML-powered multimodal analytics capabilities, we help customers solve bottlenecks across the biopharma value chain, including through discovery, clinical development and commercialization stages. We currently serve our biopharma customers through four main offerings: SOPHiA Insights, SOPHiA Trial Match, SOPHiA CDx and SOPHiA Awareness. The following figure shows our offerings across the biopharma value chain.
We began commercializing biopharma applications in 2019. Our biopharma applications are competitively positioned as insights programs, which utilize data already uploaded to the SOPHiA DDM platform or proprietary data provided directly by a biopharma customer. We believe that our customers value our biopharma applications for their ability to identify unique patient populations in clinical research and asset commercialization efforts. We signed our first biopharma customer in 2019. We had three biopharma customers in 2019, six biopharma customers in 2020 and seven customers as of March 31, 2021.

SOPHiA Insights

Faced with a complex and fragmented precision medicine environment, we believe biopharmaceutical companies need access to high quality real-world data sets and advanced data analytics capabilities to generate insights from these data sets to inform their decision-making. However, currently, these data sets are often fragmented, siloed and of variable quality, while data analytics capabilities are typically more focused on single-modality applications.

We offer solutions to support biopharma customers by generating insights pre- and post-approval of a drug throughout the entire pharma value chain, including the research, development and commercialization stages. We can generate these insights both based on our SOPHiA platform real-world data sets and by leveraging our AI/ML-powered multimodal analytics capabilities on the biopharma customer’s own data sets, including data from their clinical trials. For example, a biopharmaceutical company may ask us to generate insights from our platform regarding the real-life molecular epidemiology of rare genomic variants in a specific cancer type, including NGS sequencing install base and testing practices across geographies. A biopharmaceutical company may also ask us to support it in the AI/ML-powered multimodal analysis of its own data sets, which could include genomics, clinical, biological and medical imaging data from its clinical trials, for example to identify new biomarkers associated with patient subgroups that may have a higher likelihood of response to an investigational therapy. As we generate increasingly more multimodal patient-level data stacks in our SOPHiA platform, in the future, we may support biopharmaceutical companies on novel use cases, including real-world virtual control arms for clinical trials.

SOPHiA Trial Match

Challenges of clinical trial patient enrollment is a major bottleneck for clinical trial sponsors, which leads to delays, increased costs and clinical trial failures. This challenge is magnified in the case of biomarker-targeted investigational therapies associated with rare genomic variants due to the difficulty of finding and recruiting patients with the desired genomic traits.
With SOPHiA Trial Match, sponsors can place “molecular alerts” in our SOPHiA platform for specific genomic variants or signature that may indicate eligibility for a clinical trial. When a genomic patient profile matching the recruitment criteria is detected in our platform, the relevant local healthcare professionals who have signed up for this offering are notified in real-time and given the opportunity to connect with the clinical trial sponsor. We provide the real-time trial matching services for customers who have specifically signed up for this offering.

SOPHiA CDx

We are witnessing a steady growth in the number of regulatory approvals for therapies linked to companion diagnostic assays in oncology and other disease areas. Today, these CDx assays are typically used in a centralized model in which healthcare institutions lose access to their samples and data and which can suffer from poor turnaround times due to logistical issues. We believe that in the future CDx assays will become increasingly decentralized which will drive further testing uptake at scale and enable faster turnaround times.

We offer strategic and operational support for biopharma CDx programs. Biopharma customers can leverage our capabilities to develop genomic variant detection and identification solutions with high accuracy and precision, as well as our ability to decentralize such CDx solutions at scale through our global footprint. We believe that, in the future, CDx programs may become multimodal in nature, which we would be in a position to support through our multimodal analytics capabilities.

SOPHiA Awareness

As biopharmaceutical companies commercially launch new biomarker-targeted therapies (e.g., linked to a specific companion diagnostic assay), they face significant challenges in driving broad adoption and testing rates of specific biomarkers of interest. For example, the genomics testing landscape is currently fragmented with important regional and local variations. In that context, we believe it is imperative for biopharmaceutical companies to adequately manage parallel and interdependent adoption curves across the biomarker testing and therapy prescription dimensions. While biopharmaceutical companies tend to have insights into prescription patterns by health practitioners, they typically lack insights into real-life genomics testing practices across geographies.

We support biopharma customers with real-world insights on NGS testing trends to support their market-shaping and commercial strategies. For example, when novel therapies enter the market, a biopharmaceutical company may ask us to provide regular aggregated statistical reports on NGS testing results in specific geographies to optimize resource allocation for its go-to-market strategy. A biopharmaceutical company may also collaborate with us to increase the NGS testing rate of specific biomarkers in our network, thus supporting the identification of relevant genomic variants for targeted therapies, for example by sponsoring increased testing volumes and NGS panel upgrades. As more data modalities are computed in our SOPHiA platform, we envision additional market opportunities for SOPHiA Awareness.

Alamut Suite of Genomics Analysis Software

Our offering in the clinical genomics space also includes the Alamut suite of genomics mutations interpretation software. This add-on software is connected to our SOPHiA DDM platform through an API and provides our customers with advanced analytics capabilities for a deeper and more informed genomic data interpretation. It simplifies and accelerates variant interpretation workflows by providing an exploration and visualization application powered by an extensive collection of top-ranked external databases and proprietary prediction tools, which has the potential to be particularly impactful in deepening genomic investigations in rare diseases.
In the future, we plan to offer other add-on software solutions that are integrated with our SOPHiA platform, including software solutions from external collaborators, and that provide additional analytics capabilities. Such offerings have the potential to further increase the value of our SOPHiA platform through indirect network effects, attracting new types of customers and solutions to our network.

Clinical Publications
Our technology and its broad applications have been utilized in clinical trials and research projects discussed in more than 200 peer-reviewed publications as of March 31, 2021. These publications support scientists in new discoveries and applications across oncology, immunology, cardiology, neurology, rare diseases and other disease categories.

Access Models
We currently have three models through which customers access our SOPHiA platform. In the dry lab access model and the bundle access model, we empower customers to produce their own data. In the integrated access model, we help customers produce data through our existing network of institutions. In all cases, customers access their data through our SOPHiA platform.

The dry lab access model involves customers using the testing instruments and consumables of their choice and our SOPHiA platform and algorithms for variant detection and identification. In this model, we provide clinical genomics analytics capabilities without influencing the tools that customers use to generate the data. For example, in genomics, a laboratory might order an NGS kit directly from the manufacturer, conduct the sequencing using its installed sequencer and then use our smart algorithms in our SOPHiA platform for data analytics.

The bundle access model enables us to support our customers end-to-end across the data generation, analytics and reporting steps. In this model, we bundle third-party instruments and consumable products with our analytics solution to provide customers the ability to perform end-to-end workflows. By bundling our algorithmic capabilities with specific high-performance instruments and consumables from third parties, we can further increase the accuracy of our genomics solutions.

The integrated access model provides customers with the ability to access high-quality data on our platform even when they cannot generate data themselves. Customers that are not able or do not wish to locally conduct the sequencing steps, for example, due to a lack of appropriate resources, can have their samples processed and sequenced within our SOPHiA clinical network. We route their samples to selected SOPHiA platform collaborators who conduct the sequencing process for the customer and upload the resulting data into our SOPHiA platform. The customer is then able to access the data through our SOPHiA platform. Through this model, the selected SOPHiA platform collaborators can increase their sequencing volumes, while our SOPHiA platform is further enriched by the data produced.

The same conceptual access models apply to our radiomics solution. For radiomics, we are currently offering a dry lab access model, in which we provide the algorithmic analytics solutions while leaving the data generation at the discretion of our customers. We have developed, and intend to continue to develop, smart algorithms for specific radiomics applications, such as deep learning-enabled algorithms that can automatically recognize a lung CT scan image, detect an advanced lung cancer tumor, segment the tumor and extract radiomics features for further analysis. In the future, we may also offer a bundle access model, in which we offer solutions linked to specific imaging contrasting agents or imaging procedure modalities to optimize the performance of the final signal analysis.

We intend to apply the same conceptual access models to additional data modalities that we may support in our SOPHiA platform in the future, such as digital pathology, proteomics, spatial genomics and metabolomics.
**Benefits to Customers**

Our platform has the potential to offer the following benefits for customers, empowering them to adopt data-driven medicine to improve clinical and scientific outcomes:

- **Accuracy.** Our platform design and data analytics capabilities provide high accuracy analytics for our customers, who have access to high quality, standardized data through our SOPHiA platform.

- **Turnaround time.** We empower our customers to generate data themselves locally, which avoids delays associated with shipment, logistics and processing of samples through an external collaborator. We therefore significantly reduce the turnaround time, which is a critical factor in driving toward timely diagnosis and treatment of disease.

- **Cost-control through increased efficiency.** Customers can compute, detect and annotate any type of genomic alterations through our SOPHiA platform without the need for specific orthogonal assays, thus reducing additional testing costs.

- **Maintenance and development of in-house expertise.** By empowering our customers to retain ownership and access to their biological samples and data, we enable them to build in-house expertise while benefitting from world-class analytics accuracy through our SOPHiA platform’s network effects.

- **Accelerated launch of new precision medicine applications.** The universal nature of our SOPHiA platform facilitates adding new applications to the same workflow once an institution adopts our platform. Our customers can avoid having to set up parallel and sometimes redundant workflows for different assays and technologies.

**Markets**

We estimate that our clinical and biopharma applications targeted a $35 billion global total addressable market opportunity in 2020, $14 billion of which was in the United States. These estimates are primarily based on epidemiological data, including incidence and prevalence estimates of addressable populations for each application, as well as a range of price assumptions for our products taking into account differences in panel sizes. Further, these estimates do not depend on obtaining regulatory clearances or approvals to market our products as IVD products for diagnostic use in the United States. Over time, we believe that our platform and insights enable market opportunity expansion through new applications and product development. The following figure shows our estimated total addressable market in 2020.
Clinical Market Opportunity

We estimate our total addressable clinical market opportunity for our current offerings was $21 billion in 2020, with the largest market opportunity being in oncology.

Oncology. While the majority of commercial business today in the clinical market comprises diagnosis and advanced therapy selection, our capabilities enable us to serve the oncology testing market across the full patient journey. We can also support healthcare practitioners across tumor and sample types at any stage of the patient journey as long as genomic information or 3D medical imaging is applicable.

Our clinical oncology market opportunity consists of five market segments: screening, early detection, diagnosis, therapy selection and monitoring.

Our opportunity in screening is based on an estimated total population of people at risk of inherited cancer of over 200 million globally, including approximately 11 million in the United States. After adjusting for affordability, we estimate our global addressable population in 2020 was approximately 45 million people, including approximately 11 million in the United States. Based on this estimated global addressable population and factoring in regional product pricing, we estimate that our opportunity in screening was worth $7 billion globally ($2 billion in the United States) in 2020.

Our opportunity in early detection is based on an estimated total population of people between ages 50 and 79 who could stand to benefit from early detection cancer screening of over 1.7 billion people globally, including over 100 million in the United States. After adjusting for insurance coverage and affordability, we estimate our global addressable population in 2020 was 147 million people, including approximately 50 million in the United States. Based on this estimated global addressable population and factoring in regional product pricing, we estimate that our opportunity in early detection was worth $8 billion globally ($3.5 billion in the United States) in 2020.

Our opportunity in oncology diagnosis is based on an estimated population of newly diagnosed, non-metastatic cancer patients of approximately 16 million globally, including approximately 900 thousand in the United States. After adjusting for affordability, we estimate our global addressable population in 2020 was approximately 5 million patients, including 900 thousand in the United States. Based on this estimated global addressable population and factoring in regional product pricing, we estimate that our opportunity in oncology diagnosis was worth $2 billion globally ($0.5 billion in the United States) in 2020.

Our opportunity in therapy selection is based on an estimated population of metastatic cancer patients in 2020 of over 3 million globally, including 900 thousand in the United States. After adjusting for affordability, we estimate our global addressable population in 2020 was approximately 2 million patients, including 900 thousand in the United States. Based on this estimated global addressable population and factoring in regional product pricing, we estimate that our opportunity in therapy selection was worth $1 billion globally ($0.5 billion in the United States) in 2020.

Our opportunity in monitoring is based on an estimated population of metastatic patients and 5-year cancer survivors of approximately 53 million patients globally, including over 9 million in the United States. After adjusting for affordability, we estimate our global addressable population in 2020 was approximately 20 million people, approximately 9 million in the United States. Based on this estimated global addressable population and factoring in regional product pricing, we estimate that our opportunity in monitoring was worth $2.5 billion globally ($1.2 billion in the United States) in 2020.

Rare diseases. In rare diseases, we believe the adoption of data-driven medicine is just beginning and represents a significant opportunity for growth. In addition to our SOPHIA platform, our Alamut suite of genomics mutation interpretation software could be particularly impactful in deepening genomic investigations in rare diseases.
Our opportunity in rare diseases is based on an estimated population of newborns who can benefit from a test for rare diseases of genetic origins of estimated 135 million total births globally, including approximately 3.7 million in the United States. After adjusting for accessibility and affordability, we estimate our global addressable population in 2020 was approximately 3.3 million newborns, including approximately 900 thousand in the United States. Based on this estimated global addressable population and factoring in regional product pricing, we estimate that our opportunity in rare diseases was worth $0.5 billion globally ($0.2 billion in the United States) in 2020.

**Other disease areas and conditions.** We believe that the aggregate market opportunity linked to other disease areas beyond oncology and rare diseases could ultimately be larger than our current opportunity in oncology and rare diseases given their higher prevalence compared to cancer. Our SOPHiA platform has applications in areas such as cardiology, neurology and metabolism, through applications ranging from targeted gene panels to whole-exome solutions. While genomics applications are still emerging in these disease areas, we expect significant opportunity in the coming years as novel findings establish the genetic determinants of high-profile diseases such as inherited cardiovascular conditions, multiple sclerosis, Alzheimer’s disease, autism and metabolic syndrome. We provide applications in each of these disease areas today, and plan to further penetrate the testing landscape in these disease areas through genomics and other data modalities in the future.

**Other data modalities beyond genomics.** We designed our platform architecture to be able to scale with new digital healthcare data modalities beyond genomics. We have already taken the next step in that direction by developing and deploying our proprietary radiomics analytics capabilities onto our SOPHiA platform. In radiomics, we offer analytics solutions for three-dimensional medical imaging technologies, including CT, MRI, SPECT and PET scanners, regardless of manufacturers. Additionally, we may expand applications to other imaging modalities such as two-dimensional modalities (e.g., ultrasound, traditional x-rays) as well as testing modalities that can be processed through imaging-based approaches (e.g., electrocardiograms). Beyond radiomics, we intend to support additional data modalities in the future, for example digital pathology, proteomics, spatial genomics and metabolomics. We believe that supporting additional data modalities in our SOPHiA platform, both as stand-alone modalities and in a multimodal approach, has the potential to open significant new market opportunities and increase our total addressable market in the future.

**Biopharma Opportunity**

We estimate our total addressable biopharma opportunity for our current offerings was $14 billion in 2020 based on three market segments: clinical trials, insights and awareness and CDx. Our opportunity in the clinical trials market is based on an estimated addressable population of 400 thousand clinical trial participants across over 4,000 ongoing oncology related trials globally. Our opportunity in the insights and awareness market is based on the estimated addressable population of approximately 900 thousand metastatic patients in the United States and approximately 500 thousand metastatic patients in Europe. Our opportunity in CDx is based on an estimated market of over 1,000 biomarker driven oncology-related clinical trials and development programs globally adjusted based on the number that are biomarker driven and estimated commercial success rates. We anticipate that in the future, as the CDx industry matures, platforms like ours will be increasingly regulated, which we believe will help facilitate broader adoption and increased utilization of our SOPHiA platform given our experience in operating in multiple jurisdictions and different regulatory frameworks.

We believe also that our strategic positioning as a healthcare data analytics platform will enable other business opportunities to become available in the future, in, for example, global public health solutions.
Other Market Opportunities Accessible with our Business Model

We believe that our strategic positioning as a healthcare data analytics platform has the potential to enable other business opportunities to become available in the future.

**Universal analytics platform for digital health data.** Leveraging our global network and customer base, we may enter into collaboration agreements with third-party providers of solutions and services that can be deployed through our SOPHiA platform and to our customer network, thereby generating new indirect network effects. We believe that we could provide a single, unified analytical workflow through our SOPHiA platform for instruments generating many kinds of digital health data, such as digital pathology, proteomics, single-cell sequencing and other similar applications. In the future, we could also offer third-party services through our SOPHiA platform, such as interpretation and telehealth services.

**Global public health solutions.** Our SOPHiA platform could provide a fast and reliable ecosystem to gather data on a global scale and inform public health agencies on significant health-related events, such as pandemics. The COVID-19 pandemic has demonstrated the need for solutions able to harmonize and analyze vast data sets on a global scale, for example, to track the evolution of new variants of the SARS-CoV-2 virus over time and across geographies. This may apply to other infectious diseases, and to human host factors such as detecting specific susceptibility characteristics through genomics and other phenotypic information across populations.

**Value-based medicine.** As data-driven medicine and multimodality diagnostic approaches are further adopted in the future, we may collaborate with healthcare stakeholders such as payors, providers and integrated healthcare systems to increase the overall affordability of healthcare. We may develop outcomes-based business models in which we enter into risk-sharing agreements with these stakeholders to support the optimal care management of specific patient populations with the goal of achieving better health and economic outcomes.

**Drug discovery.** The real-world data generated and collected from our applications may provide the basis for discovering new therapeutic agents. Based on the insights generated through our SOPHiA platform, we and our customers may be able to identify new therapeutic targets that can inform pharmaceutical research and development activities.

**Animal and plant biology.** We may leverage our genomics and multimodal analytics capabilities in other areas of biology, such as animal and plant biology. In this context, we may address opportunities in fields such as environmental biology and agricultural science and technology.

We believe also that our strategic positioning as a healthcare data analytics platform will enable other business opportunities to become available in the future, in, for example, global public health solutions.

**Our Platform’s Advantages**

We believe our SOPHiA platform has several advantages over alternative genomics analytics platforms as well as other business models aimed at providing data-driven medicine.

**Unique Value Proposition as a Genomics Analytics Platform**

Our SOPHiA platform enables highly sensitive and specific testing and rapid turnaround time, enabling customers to compute, detect and annotate genomic alterations with high confidence. Our platform and its many applications also allow customers to rapidly build and scale precision medicine operations with different applications. We believe that a crucial characteristic for customers and a key differentiator of our platform is accuracy, leading to quality of insight. The accuracy of our pattern-recognition, AI/ML-based algorithms enable
our platform to separate the signal from the noise and standardize data at high-quality levels. Our smart algorithms have high accuracy across applications, from oncology to rare diseases and cardiology, and reduce testing costs by obviating the need for orthogonal assays. The accuracy of our algorithms is a result of the scale and diversity of data within our database.

The following table shows how our SOPHiA platform performs on genomic variant detection from NGS data across a range of selected genomics applications versus the analytical performance of widely used orthogonal assays such as Sanger Sequencing, MLPA, array CGH and digital PCR.

<table>
<thead>
<tr>
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<th>Somatic Oncology</th>
<th>Germline Oncology</th>
<th>Rare Diseases</th>
<th>Cardiology</th>
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<tr>
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<td>98.93%</td>
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</tr>
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<td>100.00%</td>
<td>99.86%</td>
<td>99.81%</td>
<td>99.62%</td>
</tr>
</tbody>
</table>

1. Results of the CE-IVD study based on our Solid Tumor Solution (STS) that included data from 6 different sequencing centers and a total of 155 clinical and commercial FFPE samples in which 192 confirmed variants were used as the standard.
2. Results of the CE-IVD study based on our Hereditary Cancer Solution (HCS) that included data from 7 different sequencing centers and a total of 159 clinical and commercial samples in which 1252 confirmed variants were used as the standard.
3. Results based on the clinical exome analysis of the Ashkenazim trio (mother, father and son’s DNA) from the Genome In a Bottle consortium that included data from 2 different sequencing centers and a total of 9 samples (including replicates) in which an average of 6241.2 confirmed variants per sample were used as the standard.
4. Results based on two similar studies that included data from 2 different sequencing centers and a total of 113 clinical and commercial samples in which 833 confirmed variants were used as the standard.

Sensitivity measures how often a test correctly generates a positive result for samples in which a certain genomic variant is present (“true positive” rate). Specificity measures how often a test correctly generates a negative result for samples in which a certain genomic variant is not present (“true negative” rate). Accuracy measures the proportion of tested samples that are correctly classified (“true positives” plus “true negatives”). Precision measures the ability for repeated analyses on the same samples to give similar results.

 Broad and Growing Multimodal Application Offering

The breadth of our applications and multimodal capabilities enables our customers to deploy and scale their data-driven medicine operations rapidly and to incorporate additional clinically relevant data sets over time. We believe our platform is uniquely positioned to combine high-quality data at the patient level to generate multimodal insights, leveraging the power of advanced AI/ML models. We have developed proprietary capabilities in AI/ML-enabled exploration of multimodal signatures. Through these, we can unlock the synergetic power of next-generation healthcare data to advance predictive capabilities. We believe that over time, multimodal data will provide a superior means to diagnose and treat disease relative to the current approach focusing on just a single modality.

 Software-based Platform Facilitates Rapid Global Scaling and Data Collection

We designed our cloud-based SaaS platform to be capable of scaling globally and to use AI to leverage the data that this scale provides. As of March 31, 2021, we served more than 750 hospital, laboratory and biopharma customers globally through our SOPHiA platform and related solutions, products and services. We believe that this global footprint is unique and enables us to capture a wide variety of real-world clinical data around the world. The following figure shows our customer base by region as of March 31, 2021.
We have been rapidly expanding our customer base as well as the volume of data that we analyze. From 2016 to 2020, our number of active customers grew from 182 to 754. During the same period, the aggregate number of genomic profiles analyzed using our SOPHiA platform grew from approximately 80,000 profiles to approximately 650,000 profiles. As of March 31, 2021, we have computed more than 700,000 raw clinical genomics profiles in oncology and other genetic-related disorders to date, growing by more than 20,000 new profiles on a monthly basis. The following figures show the growth in the total number of customers.

*Growth in Total Number of our Customers*
We regularly release platform updates, currently at a pace of once every two to three weeks. Through these updates, we offer our customers either new content, in the form of new applications or improvements to existing applications, such as new functionalities. We believe this update frequency is a competitive advantage in a rapidly evolving precision medicine ecosystem and allows our customers to benefit from new biological discoveries, such as genomic associations, that are reflected on the platform.

**Ability to Work with All Stakeholders in the Healthcare Ecosystem**

We are empowering our customers through a decentralized model and are able to support clinicians, laboratories and researchers across the healthcare ecosystem. This enables us to benefit from growth across the industry and provide the benefits of our network to different stakeholders. We are also able to collaborate with other product providers in the ecosystem to bundle our solutions to provide differentiated end-to-end solutions. For example, we collaborate with testing kit companies, testing hardware providers, software analytics companies, and diagnostic companies operating with a centralized model. We collaborate with companies including Twist, IDT and Agilent to create an integrated solution using our analytics platform and their library preparation products, including DNA enrichment kits, and with hardware providers such as Hamilton and PerkinElmer. We believe that we can support and collaborate with any industry player for their data analytics needs and are therefore not dependent on any specific business model or industry segment.

We believe that this unique ecosystem positioning strategy, coupled with our industry-leading analytics capabilities and our global footprint, position us as a global leading healthcare data analytics company. The following figure shows our unique position in the healthcare ecosystem.

**Real-time Visibility into the Healthcare Ecosystem Provides Product and Application Expansion Opportunities**

Our strategic positioning as a universal healthcare data analytics platform gives us real-time visibility into data and events in the healthcare ecosystem, including diagnosis, clinical data, customer behavior, performance of third-party technology solutions and other data important to stakeholders. We believe that we are well positioned to provide value to stakeholders across the healthcare ecosystem and to benefit from product and application expansion opportunities. The following figure shows an illustrative view of the internal SOPHiA platform dashboard that enables us to view key market and customer metrics in real-time.
**High Visibility and Predictability into Our Business**

Once onboarded onto our SOPHiA platform, our customers tend to steadily increase their use of our SOPHiA platform, which offers a level of predictability that helps us project and manage our growth. In addition, customers rarely leave our SOPHiA platform given that we are generally integrated into their processes. These observed trends hold particularly well for our dry lab and bundle access model customers. We have a customer retention rate, defined as the percentage of our onboarded in-routine customers who access our SOPHiA platform through the dry lab or bundle access models and who generated revenue during a 12-month period since their last revenue-generating use of our SOPHiA platform, of 84% across our customer base over a five-year period beginning January 1, 2016 and ending December 31, 2020. Furthermore, our customers generally increase their use and adopt new applications of our SOPHiA platform as our relationship with them grows. The following graphic shows the annual platform analysis volume of various customer cohorts over time.

**Platform Analysis Volume by Cohort – Steady “Land and Expand” Growth**

Our customers are assigned to a particular cohort based on the year in which they first accessed our SOPHiA platform through the dry lab or bundle access model. The analysis excludes volume contributions.
from our integrated access customers, as they contribute to a small percentage of our overall volume and utilize our platform in an ad hoc manner compared to our dry lab and bundle access customers who typically do so in a recurring fashion. Because of that, we do not consider our integrated access model a material element of our “land and expand” commercial strategy. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators.”

Our Growth Strategy

Our mission is to empower clinicians and researchers around the world to practice data-driven medicine and improve clinical and scientific outcomes. Our growth strategy is to:

• **Drive innovation and advancement of our SOPHiA platform to increase its capabilities and broaden its applications.** We plan to continue to invest in scientific innovation to bring new, high-impact content to our customers through regular updates to our platform. This may include new features, new applications, new data modalities and new services. Furthermore, we intend to augment our offering across a multimodality framework, generating novel insights enabled by our expanding data assets, including genomics data, radiomics analysis of medical imaging, clinical data and future additional data modalities such as digital pathology, proteomics, spatial genomics and metabolomics.

• **Drive new customer adoption with clinical customers worldwide.** We intend to continue to raise awareness of the benefits of data-driven medicine and drive adoption of our platform around the world through our direct sales force, our distributors and our collaborator network. We plan to further penetrate the U.S. market, which we see as our largest opportunity, by significantly investing in our direct sales force to further scale the size of our network, both in terms of the number and types of customers. In addition, we also plan to focus on commercializing our solutions by forming additional collaborations with reference and specialty laboratories. Outside the United States, we believe there is significant growth opportunity across EMEA and Latin America markets, as well as untapped potential in APAC, including in China, India, Korea and Japan. In selected geographies outside the United States, we intend to utilize a hybrid commercial model including direct sales force or direct collaborations and distributors.

• **Increase utilization within our clinical customer base.** We employ a “land and expand” commercial model that is focused on winning new customers and then driving utilization of our solution by those customers. Once we secure a customer, we use our direct sales force to build further engagement and help that customer profitably increase its testing operations. For example, we may initially support a customer in setting up its NGS testing operations for hereditary cancer screening, including operational support through our set-up programs. Once the customer is fully onboarded onto our SOPHiA platform, it is then comparatively easier to deploy additional germline testing solutions as well as somatic oncology testing solutions, creating synergies across the offerings and a unified workflow. We also target incremental users within each institution, for example, additional clinicians within a provider across expanded departments such as radiology or pathology.

• **Leverage our platform and database to drive adoption by biopharmaceutical companies.** We have a distinct sales force focused on biopharma opportunities across the discovery, clinical development and commercialization value chain. We continue to promote our current products and services, which we believe will strengthen existing collaborations with biopharmaceutical companies as well as lead to new relationships. For example, we may collaborate with a biopharmaceutical company to generate insights on the real-world molecular epidemiology of specific genomic variants relevant for an investigational targeted therapy, including insights on testing trends across our network of customers. This may lead to additional collaborations on a multimodal program to investigate new biomarkers of response to the investigational therapy, a tailored companion diagnostic program, clinical trial recruitment efforts, and market-shaping
activities on biomarker testing to support the asset go-to-market strategy. Additionally, we plan to develop new offerings for biopharma as we expand the number and type of new applications and data modalities on our platform. Our biopharma strategy is also highly synergistic to our virtuous cycle.

- **Establish and grow industry collaborations across the healthcare ecosystem.** We intend to establish new industry collaborations with other companies providing products and services to our customers. We intend to collaborate with a diverse array of industry participants, including instruments, reagent and software companies in genomics and in other fields such as digital pathology and proteomics. We intend to collaborate with service providers such as centralized laboratory players and interpretation services providers to expand the breadth of our capabilities. We believe that each new collaboration we develop helps facilitate further adoption of our platform, the evolution of the solution we provide to customers and the growth of our network and product capabilities. A larger network enables us to continue to collaborate with customers to develop new solutions and to commercialize these solutions, benefiting all users across the healthcare ecosystem.

**Commercial**

We sell our SOPHiA platform and related solutions, products and services to healthcare providers, centralized laboratories and biopharmaceutical companies through our own sales force as well as through distributors and industry collaborators. As of March 31, 2021, our direct sales team consisted of more than 70 field-based commercial representatives, including sales and business development managers, key account managers and biopharma alliance managers who are engaged in sales efforts and promotional activities towards our customers. We also employ subject matter experts, clinical genomic experts and biopharma operations specialists who provide customer-facing technical and scientific support. As of March 31, 2021, we had a sales presence in 70 countries, including 9 countries in which we offer our SOPHiA platform and related solutions, products and services through distributors. The following figure shows our global commercial footprint as of March 31, 2021.

**SOPHiA GENETICS’ Global Footprint – Countries and Sales Force**
Customer Focus

Our initial focus has been on winning clinical customers in order to drive data capture and building our reputation for accuracy and quality in the clinical community. We estimate that there are more than 10,000 laboratories globally that are using NGS instrumentation and that more than 30% of sequencing conducted are for clinical applications. We believe that there is significant opportunity to expand our customer base as well as grow utilization of our SOPHiA platform by our existing customers. Our sales strategy is focused on both attracting new customers to our platform and driving their utilization and adoption of our applications. Once we win a new customer, our direct sales team provides set-up programs to accelerate the adoption of our SOPHiA platform and facilitates our customers to adopt our platform into their routines.

We started commercializing our biopharma services in 2019. Our initial focus was to establish pilot programs with large pharma and biotech companies to develop customer trust and raise awareness about our offerings. Our biopharma business development and operations team is now focused on developing and scaling joint collaborations and on continuing to refine our product offering across large pharma companies, biotech companies and CROs.

Case Studies

Hospital Case Study

We supported a leading U.S. academic medical center in setting up its internal NGS-powered precision medicine operations. The customer’s first requirement in 2018 was for a sophisticated NGS data analytics platform to detect and characterize challenging genomic variants for congenital brain disorders. After initially adopting our germline testing for rare diseases solution, the customer then expanded their use of our SOPHiA platform into custom germline and oncology testing solutions.

Laboratory Case Study

We supported a large continental central laboratory in setting up its internal NGS capabilities through our SOPHiA platform and in launching its commercial offering in this field starting in 2016. Our relationship in genomics with this customer has continuously grown over time, to the point where our customer has now adopted several genomics testing solutions over the past five years across hereditary cancers, solid tumors, myeloid cancers, lymphomas and clinical exomes assays. Testing volumes have increased in parallel; for example, overall oncology testing volumes having grown more than four-fold in a three-year period. We also supported two radiomics applications, in brain and lung cancer, beginning in 2019, and signed a SOPHiA Trial Match agreement in 2020 to facilitate the customer’s matching of biomarker-defined patient populations into industry-sponsored clinical trials.

Biopharma Case Study

We supported a biotechnology company for biomarker discovery on its existing proprietary clinical trial data. We supported the customer’s Phase 2 clinical program in patients with relapsed or refractory diffuse large B-cell lymphoma to conduct an in-depth re-analysis of its proprietary clinical trial data using a multimodal approach. The objective was to explore whether a multimodal signature could predict patient response to therapy and to stratify patient subpopulations accordingly. We identified several biomarkers of interest that featured a correlation with clinical response without reaching statistical significance in the context of the small number of patients in the subpopulation included in the analysis.
Suppliers and Manufacturers

Our platform is a cloud-based SaaS platform. To deploy our platform, we rely on cloud-based service providers. We also collaborate with consumables and hardware suppliers for the bundle access model and with platform customers for the integrated access model.

**Platform Suppliers.** Our platform production environment currently runs on Microsoft Azure. As our platform architecture is vendor-agnostic, we could readily deploy our solutions onto any cloud infrastructure, as well as on-premise if necessary. We have ongoing research and development projects on all major cloud solution providers, including Microsoft Azure, Amazon Web Services and Google Cloud Platform. This allows us a strong degree of flexibility and helps manage vendor risks.

**Consumables and Hardware Suppliers.** In the bundle access model, we work with IDT, Twist, Qiagen, Beckman Coulter Inc., Thermo Fisher Scientific Inc. ("Thermo Fisher") and others for consumables and with Hamilton, PerkinElmer and others for hardware equipment.

**Platform Customers.** In the integrated access model, we route a customer’s samples to selected SOPHiA platform collaborators who conduct the sequencing process for the customer and upload the resulting data into our SOPHiA platform. As of March 31, 2021, we collaborated with 13 laboratories across 11 countries to provide this service.

We continually assess our dependence on our suppliers and manufacturers and evaluate alternative solutions. We have built our business such that we do not rely on any single supplier or manufacturer, such that we are able to switch suppliers and manufacturers as necessary. We believe that this mitigates risks to our business and provides us the opportunity to drive down costs.

Competition

We operate in a market characterized by rapidly advancing technologies and a strong emphasis on intellectual property. Our main competitors are institutions that collect multimodal data that have developed in-house analytics solutions, such as Tempus Labs, Inc. and F. Hoffmann-La Roche Ltd through its acquisition of Foundation Medicine, Inc. and Flatiron Health, Inc., but these competitors also represent our potential customers. In addition, other companies such as Siemens AG, Koninklijke Philips N.V. and Konika Minolta, Inc. are also positioning themselves in the market with data analytics platform capabilities to build a multimodal world. We also face competition from companies that have developed software analytics platforms for genomics data, such as Agilent, Fabric Genomics, Inc., Illumina, Inc., PierianDx, Inc. and Thermo Fisher. We believe that our proprietary cutting-edge technology and the agility and the scalability of our platform distinguishes us from other players. We believe that our position as a “universal operating system” enables us to empower and sell to many different players in the ecosystem, including competitors. See “Risk Factors—Risks Related to Our Business and Industry—We face competition from many sources and we may be unable to compete successfully.”

Intellectual Property

Intellectual property is of vital importance in the biotechnology field. Our success depends in part on our ability to obtain and maintain intellectual property and proprietary protection for our technology, defend and enforce our intellectual property rights, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating valid and enforceable intellectual property and proprietary rights of others.

149
We are actively involved in research and development and therefore seek to protect the investments made into the development of our technology by relying on a combination of patents, trademarks, copyrights, trade secrets, including know-how, and license agreements. We also seek to protect our proprietary technology, in part, by requiring our employees, consultants, contractors and other third parties to execute confidentiality agreements and invention assignment agreements and by implementing technological measures and other methods. Our ability to stop third parties from making, using, selling, offering to sell or importing our platform, services and products depends on the extent to which we have rights under valid and enforceable patents, trade secrets or other intellectual property and proprietary rights that cover these activities. We pursue intellectual property protection to the extent we believe it would advance our business objectives. Notwithstanding these efforts, there can be no assurance that we will adequately protect our intellectual property or provide any competitive advantage. For more information regarding risks relating to intellectual property, see “Risk Factors—Risks Related to Intellectual Property.”

**Patents**

Our intellectual property strategy is focused on protecting our ongoing research and development through patents and other intellectual property rights.

As of March 31, 2021, we solely owned two issued U.S. patents, eight pending U.S. patent applications, six issued patents and 29 pending patent applications in foreign jurisdictions, including Europe, Canada, Australia, Brazil, China and India and four pending Patent Cooperation Treaty applications relating to laboratory methods and/or software to provide molecular diagnosis in germline diseases. These include filings for 15 utility patents and three design patents relating to graphical user interfaces. Such issued patents and any patents derived from such applications or applications that claim priority from such applications, if granted, would be expected to expire between 2028 and 2040, excluding any additional term for patent term adjustments.

As of March 31, 2021, our most material patents and patent applications consisted of (i) one pending U.S. patent application and seven pending foreign patent applications in Australia, Brazil, Canada, China, Europe, Israel and India relating to our algorithm for next generation sequencing data which is used in our SOPHiA DDM platform, (ii) one pending U.S. patent application and one pending European patent application relating to a method for processing certain genomic data which is used in our SOPHiA DDM platform, (iii) one pending Patent Cooperation Treaty application for a method to improve accuracy of the estimate length of homopolymer and heteropolymer regions, which is used in our SOPHiA DDM platform, (iv) one pending Patent Cooperation Treaty application relating to a unique molecular identifier and related analytics workflow which we plan to incorporate in our products and into our SOPHiA DDM platform, (v) one pending European patent application relating to a method to detect homologous recombination deficiency (“HRD”), which will be used in our HRD detection solution and (vi) one pending European patent application relating to a method to detect microsatellite instability that will be used in our SOPHiA DDM platform, and (vii) one pending European patent application related to a variant calling method which is not currently used in our products. Any patents derived from such applications or applications that claim priority from such applications, if granted, would be expected to expire between 2035 and 2040, excluding any additional term for patent term adjustments.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file or intend to file, including the United States, the patent term is 20 years from the earliest date of filing a non-provisional patent application. In the United States, a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier filed patent. We cannot be sure that patents will be granted with respect to any current pending patent
application or with respect to any patent applications filed by us in the future, nor can we be sure that any current or future patents will be commercially useful in protecting our platform, products, services, technologies and processes. In addition, any patents that we may hold, whether owned or licensed, may be challenged, circumvented or invalidated by third parties.

**Trademarks**

The success of our business strategy depends on our continued ability to use our existing intellectual property in order to increase brand awareness and develop our branded services.

As of March 31, 2021, we owned nine registered U.S. trademarks, approximately 117 registered foreign trademarks and five pending foreign trademark applications. Our trademark portfolio is designed to protect the brands of our current and future products and includes U.S. trademark registrations for our company name, “SOPHIA GENETICS,” and product names, such as “SOPHIA DDM” and “ALAMUT.” We have granted licenses to certain of our trademarks to our domestic and international collaborators.

We currently face oppositions before the USPTO against our U.S. trademark applications for “SOPHIA GENETICS” and “SOPHIA DDM.” An adverse ruling in such proceedings could prevent us from using such names to distinguish our platform, products and services in the United States.

**Trade Secrets**

We also rely on trade secrets, including know-how, unpatented technology and other proprietary information, to strengthen our competitive position. We have determined that certain technologies that are not amenable to, or that we do not presently consider appropriate for, patent protection, such as our analysis techniques and analysis generated using our proprietary algorithms in the context of our SOPHiA DDM platform, are better kept as trade secrets in order to protect and maintain our competitive position and aspects of our business and prevent competitors from reverse-engineering or copying our technologies.

We seek to protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations or manufacturers, consultants, advisors and other third parties. We also seek to enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes or that the assignment agreements that have been entered into are self-executing. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, or claim ownership in intellectual property that we believe is owned by us. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary information by third parties.

**License Agreements**

**Normandie Valorisation—Exclusive License Agreements**

In March of 2018, we entered into an exclusive license of patents and results (the “2018 Normandie Agreement”) with the University of Rouen Normandy, the Henri Becquerel Centre, INSERM Transfert SA (collectively, the “Co-Owners”) and Normandy University, acting through Normandie Valorisation, pursuant to which we obtained an exclusive, royalty-bearing, non-sublicenseable license under certain patents related to
methods for diagnosing hematological malignancies and an associated diagnostic kit to develop, manufacture and sell products for the
diagnosis of acute myeloblastic leukemia, acute lymphoblastic leukemia and chronic myeloid leukemia in the countries covered by the
licensed patents.

In May 2019, we entered into an additional Exclusive License of Patents and Results (the “2019 Normandie Agreement”) with the same
parties, pursuant to which we obtained an identical license under the same patents for products for the diagnosis of carcinomas other than
acute myeloblastic leukemia, acute lymphoblastic leukemia and chronic myeloid leukemia.

Under each agreement, we are obligated to act with a standard of care to develop, manufacture and sell the licensed products. Our failure to
meet the standard of care requirement could subject us to a reduction of applicable territory or respective field of use by way of an
amendment to the applicable agreement if (i) we have not marketed nor implemented necessary steps for the marketing of the applicable
licensed products within a reasonable time following the end of the agreed-upon development plan for the commercialization of such products
or (ii) our delay in executing the development plan exceeds a certain specified time. Pursuant to both agreements, Normandie Valorisation is
responsible for the prosecution, maintenance and defense of the licensed patents.

Pursuant to the 2018 Normandie Agreement, we paid Normandie Valorisation a low five-digit Euro upfront fee and are obligated to pay to
Normandie Valorisation a low-tens Euro fee per each analysis utilizing Myeloid Plus Solution (MYS+). Pursuant to the 2019 Normandie
Agreement, we paid Normandie Valorisation a low five-digit Euro upfront fee and are obligated to pay Normandie Valorisation a
mid-single-digit Euro fee per each analysis utilizing Solid Tumor Plus Solution (STS+).

The term of each agreement continues until the expiration of the last-to-expire licensed patent in September 2033, unless automatically
terminated upon our cessation of business, bankruptcy or insolvency or upon the invalidation of the applicable licensed patents in France. In
addition, Normandie Valorisation may terminate either agreement if we challenge the validity or enforceability of the licensed patents. Either
party may terminate either agreement in the event of
non-performance
by the other party of one or more of its obligations under such
agreement which is not cured within three months of receipt of written notice of such non-performance. Either party may also terminate the
2019 Normandie Agreement at any time, with one year’s prior written notice.

SATT Aquitaine—Software Sublicense Agreement

In November 2017, we entered into a software sublicense agreement with Aquitaine Science Transfert (“SATT Aquitaine”), pursuant to which
SATT Aquitaine granted us a non-exclusive, worldwide sublicense under certain intellectual property rights exclusively licensed to SATT
Aquitaine to reproduce, adapt, use and distribute, and create derivative works based on, certain modeling software applications in the field of
oncology. The right to use such software applications granted to us includes the right to provide software-related services to our customers.

In exchange for the rights granted to us, we paid SATT Aquitaine a low six-digit Euro upfront payment. Intellectual property rights in any
derivative software applications developed by us shall be owned by us in accordance with French intellectual property law.

The agreement is effective for 15 years unless automatically terminated upon our cessation of business, dissolution, bankruptcy or liquidation.
In addition, either party may terminate the agreement in the event of non-performance by the other party of one or more of its obligations
under the agreement which are not cured within three months of receipt of written notice of such non-performance.
Collaboration Agreements

We have built an agnostic platform that enables others to get the most out of their data. As such, our model is valuable to all types of players within the health care ecosystem. For hardware and consumable players our platform and smart algorithms bring large benefits to their customer base as it allows for a more rapid set-up of their technology, better results in terms of clinical outcomes on the same hardware, bringing value to a larger number of samples and as such higher volumes.

We collaborate not only to provide valuable technologies to hospitals and laboratories around the world directly or through collaborators, but also to increase our channels and to offer a variety of product choices to our large customer base.

Agilent—Co-Marketing Agreement

In December 2020, we entered into an agreement for the co-marketing of products and services (the “Co-Marketing Agreement”), with Agilent, pursuant to which we agreed to collaborate with Agilent for the development and commercialization of sequencing diagnostic products.

Pursuant to the Co-Marketing Agreement, we agreed to collaborate with Agilent to develop a diagnostic product for worldwide commercialization that will be specifically compatible with Agilent’s Magnis SureSelect assays. The collaboration under the Co-Marketing Agreement is non-exclusive, and neither party is restricted from entering into similar collaborations with other third parties so long as it does not breach its obligations to perform under the Co-Marketing Agreement.

Each party retains all rights to its background intellectual property provided in connection with the development or commercialization of any diagnostic product developed under the Co-Marketing Agreement, including the commercialization rights thereto, subject to certain non-exclusive licenses granted by each party to the other under its trademarks and confidential information. Any intellectual property arising from the performance of the Co-Marketing Agreement that is substantially developed solely by a party will be owned by such party. Any intellectual property that is substantially developed jointly under the Co-Marketing Agreement shall be jointly owned by the parties, and both parties are prohibited from using such jointly-owned intellectual property for any purposes other than certain specified activities relating to gene panels. The parties may enter into additional agreements regarding the use and rights relating to such jointly-developed intellectual property.

The Co-Marketing Agreement is effective for two years, with potential successive one-year renewal options exercisable by the parties, and may be terminated by either party upon (i) a material breach by the other party (subject to a certain specified cure period) or (ii) 180 days' prior written notice, provided that the parties must follow an express wind-down procedure upon any expiration or termination.

IDT—Manufacturing and Supply Agreement

In December 2015, we entered into a manufacturing and supply agreement with IDT for the manufacture and supply of various commercial and research products, in particular DNA enrichment kits. The agreement was amended and restated in October 2018 and amended in March 2019.

Under the agreement, IDT committed to manufacture and supply to us or directly to our customers, as applicable, various products, in particular DNA enrichment kits. IDT shall manufacture the products covered by this agreement in accordance with product specifications provided by us, (such products, “commercial products”). IDT is required to certify that the delivered products were manufactured in accordance with said specifications. In addition, we can purchase products already manufactured by IDT pursuant to its own specifications, (such products, “research products”) and resell such products to our customers and collaborators.
Purchase prices for both commercial and research products are set upon completion of the corresponding master specification document. We are obligated to provide IDT on a quarterly basis with written good faith non-binding purchasing forecasts of the aggregate quantities of commercial products to be purchased by us in the following twelve months and IDT is obligated to ensure sufficient inventory and manufacturing capacity to deliver the forecasted quantities. We are not required to purchase the commercial products from IDT in the previously forecasted quantities. However, if we fail to purchase a specified percentage of the forecasted quantities of commercial products, IDT will have the right to increase the prices of such products by amounts in excess of the additional manufacturing costs associated with our reduced purchase. At the same time, we have the right to place purchase orders for products beyond the previously forecasted quantities and IDT is obligated to use its commercially reasonable efforts to fill such orders at regular prices. We are not required to provide IDT with forecasts for research products that we intend to purchase in any given period. The purchase prices for such products are not adjustable based on the quantities actually ordered by us.

All inventions made directly as a result of the manufacture of commercial and research products that are improvements to such products will be owned by us. IDT will obtain a fully-paid up, royalty-free, worldwide license under such improvements to make, have made, use and sell the commercial and research products exclusively for and to us.

The agreement has an initial term of five years. It will automatically renew for additional one-year periods unless a party notifies the other of its decision not to renew the agreement. We also have the right to terminate the agreement if we do not agree with changes made by IDT in accordance with the provisions of the agreement, including in connection with changes to master specification documents for any research or commercial product. In addition, each party has the right to terminate the agreement effective immediately if the other party fails to meet essential terms of the agreement and such failure is not cured.

Qiagen—OEM Supply Agreement

In January 2018, we entered into an OEM supply agreement with Qiagen for the supply of certain amplification technologies required to complement our NGS technologies. The agreement was amended in June 2019.

Under the agreement, we receive the exclusive right to offer and resell the products manufactured by Qiagen as part of “bundle” solutions. We cannot offer such products as stand-alone or single items, unless it is required for product replacement or quality control reasons or in other special circumstances discussed by the parties in good faith. Qiagen is obligated to use its commercially reasonable efforts to manufacture and deliver products in quantities ordered by us. We are required to provide Qiagen in writing with a monthly rolling forecast covering the next six months. In addition, both parties shall meet at least once every quarter to discuss any adjustments to the forecast. Furthermore, we are obligated to purchase minimum quantities of products every year. If we fail to do so in any given calendar year, we will be obligated to make a one-time payment at the end of the year in an amount equal to the difference between the value of the products forecasted to be purchased in that year and the products actually purchased.

The agreement has an initial term of three years. It will automatically extend for one 2-year period followed by 1-year periods unless a party notifies the other of its decision not to renew the agreement. The parties may terminate the agreement effective immediately for cause or upon notice in certain situations.

Twist—Supply Agreement

In November 2019, we entered into a supply agreement with Twist for the manufacture and supply of various RUO products, in particular target enrichment and library construction reagent sets.
Table of Contents

Under the agreement, we may offer and resell products manufactured by Twist as part of “bundle” solutions. We may not offer such product as stand-alone products, unless we obtain Twist's written consent. Twist is obligated to use its commercially best efforts to manufacture and deliver products in quantities ordered by us. We are required to provide Twist with a non-binding good faith six-months' rolling written forecast, setting out forecasted quantities of the products to be purchased by us in monthly increments.

We can provide Twist with specifications of the products to be supplied by Twist or order ready-to-use products already manufactured by Twist. Once Twist accepts a purchase order from us, we are not allowed to cancel such an order, but Twist may cancel the purchase order if it cannot fulfill such order despite using commercially best efforts.

The agreement has an initial term of three years. It will automatically extend for one-year periods unless a party notifies the other of its decision not to renew the agreement. In addition, either party may terminate it without cause.

Human Capital Resources

We employ great minds in biotechnology and machine learning who continuously advance our algorithms, products and services to benefit clinical researchers around the world. Approximately 30% of our employees hold doctoral degrees in diverse fields that range from cell biology to computer science. Our employees bring widely varied expertise and competencies to our company. Our multidisciplinary team includes bioinformaticians, medical and genetic experts, scientists, software engineers, web developers, graphic designers, commercial experts and lab specialists, as well as staff in our administrative and corporate teams.

We pride ourselves on the excellence and integrity of our employees. We work towards the best quality and target the highest performance. Our corporate DNA, rooted in quality, precision and robustness, is the key to our success. We strive to foster an entrepreneurial, innovative and unique culture that ignites employees' passion and inspires them to challenge the status quo. We create work environments that preserve and value individuality and diversity of viewpoints and approaches such that our employees trust each other and collaborate to achieve our collective goals.

The following strategies help ensure that we attract and retain high quality employees:

- **Attracting Talent.** In 2020, approximately 140 new employees joined our team. Our dedicated and experienced global talent acquisition team identifies and attracts the most qualified candidates. Our locations were strategically selected to attract highly educated talent from renowned universities and engineering schools, and we regularly attend events and use social media to increase awareness of our brand to prospective candidates. As part of our hiring process, we conduct scientific and technical assessment to ensure that candidates have the appropriate skills and expertise.

- **Retaining and Developing Talent.** As part of our effort to continuously motivate and engage our employees and provide professional development for our employees, we provide corporate talent reviews and follow-up individual development plans for our employees and have created career ladders with grading systems for all departments with detailed job descriptions on what is required at each level. We also perform employee engagement surveys that inform our dedicated taskforces as they continuously strive to increase employee satisfaction and morale.

- **Training.** To help our employees integrate into our company, advance their knowledge and skills and remain at the forefront of innovation, we created Learning@SOPHiA, which consists of (i) an onboarding program with a new hire learning path, a manager’s guide to onboarding and a buddy system for new hires, (ii) ongoing learning paths with department specific training modules, technical and non-technical training,
cross-functional information sessions, mentoring and soft skill training, and (iii) leadership and development programs for managers. In
addition, for our salespersons, our sales success department provides commercial training, including consultative sales, negotiations skills
and cold call training.

As of March 31, 2021, we had 415 employees across 30 countries, of whom 336 were located in EMEA, 63 were located in North America, 10
were located in Latin America and 6 were located in Asia. In addition, we had 11 temporary employees located in EMEA. Approximately 43%
of our employees are engaged in research and development.

In certain countries in which we operate, we are subject to, and comply with, local labor law requirements, which may automatically make our
employees subject to industry-wide collective bargaining agreements. For instance, our employees in France are covered by
the Syntec Collective Bargaining Agreement. In addition, pursuant to French regulations, we have established at our French subsidiary a
Comité Social et Economique or Social and Economic Committee. We are not subject to any other collective bargaining agreements. We
believe that our relationship with our employees is good.

Government Regulation

Laboratory Developed Tests

CLIA and State Laboratory Licensing

CLIA is a U.S. federal law that regulates clinical laboratories that perform testing on specimens derived from humans for the purpose of
providing information for the diagnosis, prevention, or treatment of disease, or impairment of, or the assessment of the health of, human
beings. CLIA regulations require, among other things, clinical laboratories to obtain a certificate and mandate specific standards in the areas
of personnel qualifications, administration, participation in proficiency testing, test management, and quality assurance. CLIA certification is
also required for us to be eligible to bill state and federal healthcare programs, if such reimbursement is otherwise available, as well as many
private third-party payors, for our products.

In addition to federal certification requirements of laboratories under CLIA, CLIA provides that states may adopt laboratory regulations and
licensure requirements that are more stringent than those under federal law. A number of states have implemented their own more stringent
laboratory regulatory requirements. Such laws, among other things, establish standards for the day-to-day operation of a clinical laboratory,
including the training and skills required of personnel and quality control. For example, New York laws and regulations establish standards for
day-to-day operation of a clinical laboratory, including training and skill levels.

We do not currently operate a CLIA-certified laboratory. Our customers are responsible for their own CLIA certification.

Federal Oversight of Laboratory Developed Tests

The laws and regulations governing the marketing of clinical laboratory testing and diagnostic products are evolving and extremely complex
and, in many instances, there are no significant regulatory or judicial interpretations of these laws and regulations. Clinical laboratory tests are
regulated under CLIA, as administered by CMS, as well as by applicable state laws. In addition, the FDCA defines a medical device to include
any instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including a
component part, or accessory, intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or
prevention of disease, in man or other animals. Among other things, pursuant to the FDCA and its implementing regulations, the FDA
regulates the research, testing, manufacturing, safety, labeling, storage, recordkeeping, pre-market clearance or approval, marketing
and promotion, and sales and distribution of medical devices in the United States to ensure that medical products distributed domestically are safe and effective for their intended uses. In addition, the FDA regulates the export of medical devices manufactured in the United States to international markets.

Although the FDA has statutory authority to assure that medical devices are safe and effective for their intended uses, the FDA has generally exercised its enforcement discretion and not enforced applicable regulations with respect to in vitro diagnostics that are designed, manufactured and used within a single laboratory for use only in that laboratory. These tests are referred to as LDTs.

Legislative and administrative proposals proposing to amend the FDA's oversight of LDTs have been introduced in recent years and we expect that new legislative and administrative proposals will continue to be introduced from time to time. It is possible that legislation could be enacted into law or regulations or guidance could be issued by the FDA which may result in new or increased regulatory requirements. For example, in recent years, the FDA has stated its intention to modify its enforcement discretion policy with respect to LDTs. The FDA could modify its current approach to LDTs in a way that would subject LDTs to additional regulatory requirements. Moreover, legislative measures could likewise result in a change to the approach to the FDA's regulation over LDTs, including a requirement for premarket review of LDTs, among other things.

**AI/ML-Based Medical Software**

The FDA recognizes that the traditional paradigm of medical device regulation was not designed for adaptive AI/ML technologies. The FDA has cleared or approved several AI/ML-based software as medical devices (“SaMD”). Typically, these have only included algorithms that are “locked” prior to marketing, where algorithm changes likely require FDA premarket review for changes beyond the original market authorization. However, not all AI/ML-based SaMD are locked; some algorithms can adapt over time. Following distribution, these types of continuously learning and adaptive AI/ML algorithms may provide a different output in comparison to the output initially cleared for a given set of inputs.

The FDA's Center for Devices and Radiological Health is currently considering a total product lifecycle-based regulatory framework for AI/ML technologies. On January 12, 2021, the FDA released its Artificial Intelligence/Machine Learning-Based Software as a Medical Device Action Plan, which outlines five actions that the FDA intends to take, including:

- further developing the proposed regulatory framework, including through issuance of draft guidance on a predetermined change control plan (for software’s learning over time);
- supporting the development of good machine learning practices to evaluate and improve machine learning algorithms;
- fostering a patient-centered approach, including device transparency to users;
- developing methods to evaluate and improve machine learning algorithms; and
- advancing real-world performance monitoring pilots.

**Medical Device Regulatory Framework**

Pursuant to its authority under the FDCA, the FDA has jurisdiction over medical devices, which are defined to include, among other things, IVDs and SaMD. The FDA regulates the research, design, development, preclinical and clinical testing, manufacturing, safety, effectiveness, packaging, labeling, storage, recordkeeping, pre-market clearance or approval, adverse event reporting, marketing, promotion, sales, distribution and import and export of medical devices. Specifically, if the FDA begins to actively regulate LDTs, then, unless an
exemption applies, each new or significantly modified medical device we seek to commercially distribute in the United States could require either a premarket notification to the FDA requesting permission for commercial distribution under Section 510(k) of the FDCA ("510(k) clearance") or approval from the FDA of a PMA application. Both the 510(k) clearance and PMA processes can be resource-intensive, expensive, and lengthy, and require payment of significant user fees.

Device Classification

Under the FDCA, medical devices are classified into one of three classes (Class I, Class II or Class III) depending on the degree of risk associated with each medical device and the extent of control needed to provide reasonable assurances with respect to safety and effectiveness.

Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be reasonably assured by adherence to General Controls for Medical Devices, which require compliance with the applicable portions of the FDA's Quality System Regulation, facility registration and product listing, reporting of adverse events and malfunctions, and appropriate, truthful and non-misleading labeling and promotional materials. While some Class I devices also require premarket clearance by the FDA through the 510(k) premarket notification process described below, most Class I products are exempt from the premarket notification requirements.

Class II devices are those that are subject to the General Controls, as well as Special Controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These Special Controls can include performance standards, patient registries, FDA guidance documents and post-market surveillance. Most Class II devices are subject to premarket review and clearance by the FDA. Premarket review and clearance by the FDA for Class II devices is accomplished through the 510(k) premarket notification process.

Class III devices include devices deemed by the FDA to pose the greatest risk, such as life-supporting, life-sustaining devices or implantable devices, in addition to those deemed novel and not substantially equivalent following the 510(k) process. The safety and effectiveness of Class III devices cannot be reasonably assured solely by the General Controls and Special Controls described above. Therefore, these devices are subject to the PMA process, which is generally more costly and time-consuming than the 510(k) process. Through the PMA process, the applicant must submit data and information demonstrating reasonable assurance of the safety and effectiveness of the device for its intended use to the FDA's satisfaction. Accordingly, a PMA typically includes, but is not limited to, extensive technical information regarding device design and development, preclinical and clinical trial data, manufacturing information and labeling and financial disclosure information for the clinical investigators in device studies. The PMA application must provide valid scientific evidence that demonstrates to the FDA's satisfaction a reasonable assurance of the safety and effectiveness of the device for its intended use.

The 510(k) Clearance Process

Under the 510(k) clearance process, the manufacturer must submit to the FDA a premarket notification, demonstrating that the device is “substantially equivalent” to a legally marketed predicate device. A predicate device is a legally marketed device that is not subject to a PMA, i.e., a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was previously found substantially equivalent through the 510(k) process. To be “substantially equivalent,” the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data is sometimes required to support substantial equivalence.
After a 510(k) premarket notification is submitted, the FDA determines whether to accept it for substantive review. If it lacks necessary information for substantive review, the FDA will refuse to accept the 510(k) premarket notification. If it is accepted for filing, the FDA begins a substantive review. By statute, the FDA is required to complete its review of a 510(k) notification within 90 days of receiving the 510(k) notification. As a practical matter, clearance often takes longer, and clearance is never assured. Although many 510(k) premarket notifications are cleared without clinical data, the FDA may require further information, including data from samples collected in a clinical setting, to make a determination regarding substantial equivalence which may significantly prolong the review process. If the FDA agrees that the device is substantially equivalent, it will grant clearance to commercially market the device.

If the FDA determines that the device is not “substantially equivalent” to a predicate device, or if the device is automatically classified into Class III, the device sponsor must then fulfill the much more rigorous premarketing requirements of the PMA approval process or seek reclassification of the device through the De Novo classification process.

After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a new or major change in its intended use, will require a new 510(k) clearance or, depending on the modification, could require a PMA application. The FDA requires each manufacturer to determine whether the proposed change requires a new submission in the first instance, but the FDA can review any such decision and disagree with a manufacturer’s determination. Many minor modifications are accomplished by an internal letter-to-file in which the manufacture documents its reasoning for why a change does not require premarket submission to the FDA. The letter-to-file is in lieu of submitting a new 510(k) to obtain clearance for such change. The FDA can always review these letters-to-file in an inspection. If the FDA disagrees with a manufacturer’s determination regarding whether a new premarket submission is required for the modification of an existing 510(k)-cleared device, the FDA can require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or approval of a PMA application is obtained. In addition, in these circumstances, the FDA can impose significant regulatory fines or penalties for failure to submit the requisite application(s).

The De Novo Process

The De Novo classification process is an alternate pathway to classify medical devices that are automatically classified into Class III but which are low to moderate risk. A manufacturer can submit a petition for direct de novo review if the manufacturer is unable to identify an appropriate predicate device and the new device or new use of the device presents a moderate or low risk. De Novo classification may also be available after receipt of a “not substantially equivalent” letter following submission of a 510(k) to the FDA.

The PMA Approval Process

Following receipt of a PMA application, the FDA conducts an administrative review to determine whether the application is sufficiently complete to permit a substantive review. If it is not, the agency will refuse to file the PMA. If it is, the FDA will accept the application for filing and begin the review. The FDA has 180 days to review a filed PMA application, although the review of an application more often occurs over a significantly longer period of time. During this review period, the FDA may request additional information or clarification of information already provided, and the FDA may issue a major deficiency letter to the applicant, requesting the applicant’s response to deficiencies communicated by the FDA.

Before approving or denying a PMA, an FDA advisory committee may review the PMA at a public meeting and provide the FDA with the committee’s recommendation on whether the FDA should approve the submission,
approve it with specific conditions, or not approve it. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Prior to approval of a PMA, the FDA may conduct inspections of the clinical trial data and clinical trial sites, as well as inspections of the manufacturing facility and processes. Overall, the FDA review of a PMA application generally takes between one and three years, but may take significantly longer. The FDA can delay, limit or deny approval of a PMA application for many reasons, including:

- The device may not be shown safe or effective to the FDA's satisfaction;
- The data from pre-clinical studies and/or clinical trials may be found unreliable or insufficient to support approval;
- The manufacturing process or facilities may not meet applicable requirements; and
- Changes in FDA clearance or approval policies or adoption of new regulations may require additional data.

If the FDA evaluation of a PMA is favorable, the FDA will issue either an approval letter or an approvable letter, the latter of which usually contains a number of conditions that must be met in order to secure final approval of the PMA. When and if those conditions have been fulfilled to the satisfaction of the FDA, the agency will issue a PMA approval letter authorizing commercial marketing of the device, subject to the conditions of approval and the limitations established in the approval letter. If the FDA's evaluation of a PMA application or manufacturing facilities is not favorable, the FDA will deny approval of the PMA or issue a not-approvable letter. The FDA also may determine that additional tests or clinical trials are necessary, in which case the PMA approval may be delayed for several months or years while the trials are conducted and data is submitted in an amendment to the PMA, or the PMA is withdrawn and resubmitted when the data are available. The PMA process can be expensive, uncertain and lengthy, and a number of devices for which FDA approval has been sought by other companies have never been approved by the FDA for marketing.

New PMA applications or PMA supplements are required for modification to the manufacturing process, equipment or facility, quality control procedures, sterilization, packaging, expiration date, labeling, device specifications, ingredients, materials or design of a device that has been approved through the PMA process. PMA supplements often require submission of the same type of information as an initial PMA application, except that the supplement is limited to information needed to support any changes from the device covered by the approved PMA application and may or may not require as extensive technical or clinical data or the convening of an advisory panel, depending on the nature of the proposed change.

In approving a PMA application, as a condition of approval, the FDA may also require some form of post-approval study or post-market surveillance, whereby the applicant conducts a follow-up study or follows certain patient groups for a number of years and makes periodic reports to the FDA on the clinical status of those patients when necessary to protect the public health or to provide additional or longer-term safety and effectiveness data for the device. The FDA may also approve a PMA application with other post-approval conditions intended to ensure the safety and effectiveness of the device, such as, among other things, restrictions on labeling, promotion, sale, distribution and use. New PMA applications or PMA supplements may also be required for modifications to any approved diagnostic tests, including modifications to manufacturing processes, device labeling and device design, based on the findings of post-approval studies.

The Investigational Device Process

In the United States, absent certain limited exceptions, human clinical trials intended to support medical device clearance or approval require an investigational device exemption (“IDE”) application. Some types of studies...
deemed to present “non-significant risk” are deemed to have an approved IDE—without affirmative submission of an IDE application to the FDA—once certain requirements are addressed and IRB approval is obtained. If the device presents a “significant risk” to human health, as defined by the FDA, the sponsor must submit an IDE application to the FDA and obtain IDE approval prior to commencing the human clinical trials. The IDE application must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. Generally, clinical trials for a significant risk device may begin once the IDE application is approved by the FDA and the study protocol and informed consent are approved by appropriate IRBs at the clinical trial sites. Submission of an IDE will not necessarily result in the ability to commence clinical trials, and although the FDA's approval of an IDE allows clinical testing to go forward for a specified number of subjects, it does not bind the FDA to accept the results of the trial as sufficient to prove the product's safety and efficacy, even if the trial meets its intended success criteria.

Such clinical trials must be conducted in accordance with the FDA's IDE regulations that govern investigational device labeling, prohibit promotion and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. Clinical trials must further comply with good clinical practice regulations for IRB approval and for informed consent and other human subject protections. Required records and reports are subject to inspection by the FDA for any clinical trials subject to FDA oversight. The results of clinical testing may be unfavorable, or, even if the intended safety and efficacy success criteria are achieved, may not be considered sufficient for the FDA to grant marketing approval or clearance of a product. The commencement or completion of any clinical trial may be delayed or halted, or be inadequate to support approval of a PMA application or clearance of a 510(k) premarket notification, for numerous reasons.

The Breakthrough Devices Program is a voluntary program intended to expedite the development, assessment and review of certain medical devices that provide for more effective treatment or diagnosis of life-threatening or irreversibly debilitating human diseases or conditions for which no approved or cleared treatment exists or that offer significant advantages over existing approved or cleared alternatives. All submissions for devices designated as Breakthrough Devices will receive priority review, meaning that the review of the submission is placed at the top of the appropriate review queue and receives additional review resources, as needed. Although Breakthrough Device designation or access to any expedited program may expedite the development or approval process, it does not change the standards for approval. Access to an expedited program may also be withdrawn by the FDA if it believes that the designation is no longer supported by data from our clinical development program. Additionally, qualification for any expedited review procedure does not ensure that we will ultimately obtain regulatory clearance or approval for such product.

Research Use Only

In the United States, SOPHIA products labeled and sold for research use only, and not for the diagnosis or treatment of disease, are sold to a variety of parties, including biopharmaceutical companies, academic institutions and molecular laboratories. Because such products are not intended for use in clinical practice in diagnostics, and the products cannot include clinical or diagnostic claims, they are exempt from many regulatory requirements otherwise applicable to medical devices. In particular, while the FDA regulations require that RUO products be labeled “For Research Use Only. Not for use in diagnostic procedures,” the regulations do not otherwise subject such products to the FDA's pre- and post-market controls for medical devices.

A significant change in the laws governing RUO products or how they are enforced may require a change to our business model in order to maintain compliance. For instance, in November 2013 the FDA issued the RUO Guidance, which highlights the FDA's interpretation that distribution of RUO products with any labeling,
advertising or promotion that suggests that clinical laboratories can validate the test through their own procedures and subsequently offer it for clinical diagnostic use as a laboratory, developed test is in conflict with RUO status. The RUO Guidance further articulates the FDA’s position that any assistance offered in performing clinical validation or verification, or similar specialized technical support, to clinical laboratories conflicts with RUO status. If we engage in any activities that the FDA deems to be in conflict with the RUO status held by the products that we sell, we may be subject to immediate, severe and broad FDA enforcement action that would adversely affect our ability to continue operations. Accordingly, if the FDA finds that we are distributing our RUO products in a manner that is inconsistent with its regulations or guidance, we may be forced to stop distribution of our RUO tests until we are in compliance, which would reduce our revenues, increase our costs and adversely affect our business, prospects, results of operations and financial condition. In addition, the FDA’s proposed implementation for a new framework for the regulation of LDTs may negatively impact the LDT market and thereby reduce demand for RUO products.

If the FDA requires marketing authorization of our RUO products in the future, there can be no assurance that the FDA will ultimately grant any clearance or approval requested by us in a timely manner, or at all.

Post-Market Regulation

After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of investigational products or the promotion of “off-label” uses of cleared or approved products;
- requirements related to promotional activities;
- clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices, or approval of certain modifications to PMA-approved devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- the FDA’s recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Device manufacturing processes are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes,
controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file and complaint files. Manufacturers are subject to periodic scheduled or unscheduled inspections by the FDA. A failure to maintain compliance with the QSR requirements could result in the shut-down of, or restrictions on, manufacturing operations and the recall or seizure of products. The discovery of previously unknown problems with products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls.

The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that a manufacturer has failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, including the following:

- issuance of warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- requesting or requiring recalls, withdrawals or administrative detention, or seizure of our products;
- imposing operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to grant export approvals for our products; or
- criminal prosecution.

**Authorization to Market In Vitro Medical Devices in the European Economic Area**

In the EEA, *in vitro* medical devices are currently required to conform with the essential requirements of the EU In Vitro Diagnostic Directive (IVDD Directive No 98/79/EC, as amended, the “IVDD”). The scope of 98/79/EC applies to IVD medical devices and accessories, which can include not just reagents and kits but also instruments and software. To demonstrate compliance, ISO 13485 is recognized as the harmonized standard for regulatory quality system compliance. Companies are required to meet the essential requirements of the IVDD.

**EU IVD Regulatory Classification**

The risk presented by a device determines the classification and therefore the level of control and regulatory review required. Annex II of the IVDD identifies specific device types that are categorized as either high risk (List A) or moderate risk (List B). General IVDs may self-certify without the intervention of a Notified Body in order to affix the CE Marking. Self-test IVDs, because of the greater risk associated with being used by untrained lay users, have special requirements, while all other devices not classified as either List A, List B or self-test are regarded as general IVDs. SOPHiA currently has self-certified products in the EU market through SwissMedic.

On April 5, 2017, the EU adopted the new *In Vitro* Device Regulation (EU) 2017/746 (the “IVDR”), which repeals and replaces Directive No 98/79/EC effective May 2022. Unlike directives, which must be implemented into the national laws of the EU member states, a regulation is directly applicable, i.e., without the need for adoption of EU member state laws implementing them, in all EEA member states. The IVDR, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EU for *in vitro*
diagnostic medical devices and ensure a high level of safety and health while supporting innovation. The IVDR will not become fully applicable until five years following its entry into force. Once applicable, the IVDR will, among other things:

• strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
• establish explicit provisions on manufacturers’ responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
• improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number; and
• set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the EU.

Brexit and the Regulatory Framework in the UK

On June 23, 2016, the electorate in the UK voted in favor of leaving the EU, commonly referred to as Brexit. On December 24, 2020, the UK and the EU entered into a Trade and Cooperation Agreement. The agreement sets out certain procedures for approval and recognition of medical products in each jurisdiction. Since the regulatory framework for medical products in the UK covering quality, safety and efficacy of medical products, clinical trials, marketing authorization, commercial sales and distribution of pharmaceutical medical is derived from EU directives and regulations, Brexit could materially impact the future regulatory regime which applies to medical products in the UK, as the UK legislation now has the potential to diverge from EU legislation. It remains to be seen how Brexit will impact regulatory requirements for medical products in the UK in the long-term. The Medicines and Healthcare products Regulatory Agency published detailed guidance for industry and organizations to follow from January 1, 2021, which will be updated as the UK’s regulatory position on medicinal products evolves over time.

Following Brexit and the end of the transition period, there may be regulatory divergence between UK and EU regulations. A new UKCA mark will replace the CE mark in Great Britain (CE marks or CE UKNI marks will be required in Northern Ireland). CE marks will continue to be recognized in Great Britain for medical devices until June 30, 2023. However, all medical devices and IVDs must be registered with the Medicines and Healthcare products Regulatory Agency to be placed on the Great Britain market, subject to certain grace periods depending on the risk class of the medical device/IVD. From July 1, 2023, a UKCA mark will be required to place a device on the Great Britain market; however, manufacturers can use the UKCA mark on a voluntary basis prior to July 1, 2023. The nature of any new regulation in the UK is uncertain and as such we may experience delays in accessing the UK market.

EU-Swiss Institutional Framework Agreement

In May 2021, Switzerland decided to end seven years of negotiations with the EU and not sign the drafted EU-Swiss Institutional Framework Agreement (the “Framework Agreement”). The Framework Agreement was intended as the foundation to enhance and develop EU-Swiss bilateral relations for the future. At this stage, the impact on the termination of the EU-Swiss negotiations on medical product registration and market access is unknown and the nature of any new regulation in the EU or Switzerland is uncertain. As such, we may face additional requirements to market our products in the EU or Switzerland.

Other Jurisdictions

Outside the United States, the EU, the UK and Switzerland, regulatory pathways for the marketing of medical devices vary greatly from country to country. In many countries, local regulatory agencies conduct an
independent review of medical devices prior to granting marketing approval and may require specific disclosure or localization to access the local market.

For instance, in Brazil all medical devices imported into or distributed within Brazil must first be registered with the Agência Nacional de Vigilância Sanitária (“ANVISA”) or the National Health Surveillance Agency. ANVISA is an autonomous regulatory agency responsible for the regulation and oversight of medical devices and other medical products in Brazil, including the registration of medical devices and the maintenance of a registered products database. The medical device company must be located in Brazil or arrange for a licensed third-party company to be the Brazilian registration certificate title holder. Resolution RDC 36/2015 of August 26, 2015 (“RDC 36/2015”) is the central regulation applicable to registration of in vitro diagnostic devices in Brazil, describing the protocol and documents required, including localization into Brazilian Portuguese. Chapter II set forth of RDC 36/2015 the classification scheme, assigning devices to one of four risk classes, based upon various rules enumerated therein. This classification structure is aligned with the EU’s one. If a device fits into more than one risk classification, its final risk class is the one associated with the highest risk level. Class I and Class II registrations do not expire. Class III and IV registrations are valid for ten years. Registration renewals must be initiated no earlier than one year and no later than six months prior to expiration. Manufacturers are also subject to audits to ensure compliance with the Brazilian Good Manufacturing Practices (“BGMP”) prior to receiving authorization to sell from ANVISA. BGMP audits may be fulfilled through other audits by recognized entities through the Medical Device Single Audit Program. RUO products are labeled accordingly and are not subject to these registration requirements. While we are currently able to market our SOPHiA platform and related solutions, products and services in Brazil, including through our Brazilian subsidiary, any changes to the regulatory framework for RUO products could result in additional costs to us, including expenses related to additional audits, translations and registration fees, or delays in accessing the Brazilian market, including due to the time required to obtain necessary ANVISA approvals.

In Turkey, medical devices are regulated by the Medicines and Medical Devices Agency within Ministry of Health and pursuant to the Medical Device Regulation, the Regulation on Active Implantable Medical Devices and the Regulation on In Vitro Diagnostic Medical Devices. These regulations generally resemble analogous EU directives and regulations. To be sold in Turkey, medical devices must bear a CE mark and must subsequently be registered in the Turkish Ministry’s online database (Turkish Drug and Medical Device National Databank, or TITUBB) in order to be marketed in Turkey. Manufacturers without local presence in Turkey must appoint a Local Authorized Representative. A product will generally be considered a medical device if it is marketed as a medical device in the EU. In recent years, software and mobile application medical devices have been increasing and the Medicines and Medical Devices Agency has considered certain software and mobile applications as medical devices, taking into consideration their intended use. In March 2021, the Product Safety and Technical Regulations Law No. 7223 (the “Product Safety Law”) became effective. The Product Safety Law reconciled some outstanding differences between Turkish and EU product safety standards, providing in part for manufacturer and importer liability in the event that a noncompliant or unsafe product causes harm or damage and mandating recall of such products. Because the current regulatory framework in Turkey closely parallels the EU’s framework, we do not currently experience material difficulties in marketing our SOPHiA platform and related solutions, products and services in Turkey that are unique to that jurisdiction.

**Federal and State Health Care Laws**

**Federal Physician Self-Referral Prohibition**

We are subject to the federal physician self-referral prohibition, commonly known as the Stark Law, and to comparable state laws. Together these restrictions generally prohibit us from billing a patient or governmental or private payor for certain designated health services, including clinical laboratory services, when the
physician ordering the service, or a member of such physician's immediate family, has a financial relationship, such as an ownership or investment interest in or compensation arrangement, with us, unless the relationship meets an applicable exception to the prohibition. Several Stark Law exceptions are relevant to many common financial relationships involving clinical laboratories and referring physicians, including: (1) fair market value compensation for the provision of items or services; (2) payments by physicians to a laboratory for clinical laboratory services; (3) space and equipment rental arrangements that satisfy certain requirements and (4) personal services arrangements that satisfy certain requirements. The laboratory cannot submit claims to the Medicare Part B program for services furnished in violation of the Stark Law and Medicaid reimbursements may be at risk as well. These prohibitions apply regardless of any intent by the parties to induce or reward referrals or the reasons for the financial relationship and the referral. Penalties for violating the Stark Law include significant civil, criminal and administrative penalties, such as the return of funds received for all prohibited referrals, fines, civil monetary penalties, exclusion from the federal health care programs, integrity oversight and reporting obligations, and imprisonment. In addition, knowing violations of the Stark Law may also serve as the basis for liability under the federal False Claims Act (the "FCA"), which can result in additional civil and criminal penalties.

Federal Anti-Kickback Law
The AKS makes it a felony for a person or entity, including a clinical laboratory, to knowingly and willfully offer, pay, solicit or receive any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in order to induce business that is reimbursable under any federal health care program. The government may also assert that a claim that includes items or services resulting from a violation of the AKS constitutes a false or fraudulent claim under the FCA, which is discussed in greater detail below. Additionally, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Although the AKS applies only to items and services reimbursable under any federal health care program, a number of states have passed statutes substantially similar to the AKS that apply to all payors. Penalties for violations of such state laws include imprisonment and significant monetary fines. Federal and state law enforcement authorities scrutinize arrangements between health care providers and potential referral sources to ensure that the arrangements are not designed as a mechanism to induce patient care referrals or induce the purchase or prescribing of particular products or services. Generally, courts have taken a broad interpretation of the scope of the AKS, holding that the statute may be violated if merely one purpose of a payment arrangement is to induce referrals or purchases. In addition to statutory exceptions to the AKS, regulations provide for a number of safe harbors. If an arrangement meets the provisions of an applicable exception or safe harbor, it is deemed not to violate the AKS. An arrangement must fully comply with each element of an applicable exception or safe harbor in order to qualify for protection. Failure to meet the requirements of the safe harbor, however, does not render an arrangement illegal. Rather, the government may evaluate such arrangements on a case-by-case basis, taking into account all facts and circumstances.

Other Health Care Laws
In addition to the requirements discussed above, several other health care fraud and abuse laws could have an effect on our business. The FCA prohibits, among other things, a person from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval and from making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim in order to secure payment or retain an overpayment by the federal government. In addition to actions initiated by the government itself, the statute authorizes actions to be brought on behalf of the federal government by a private party having knowledge of the alleged fraud. Because the complaint is initially filed under seal, the action may be pending for some time.
before the defendant is even aware of the action. If the government intervenes and is ultimately successful in obtaining redress in the matter or if the plaintiff succeeds in obtaining redress without the government’s involvement, then the plaintiff will receive a percentage of the
recovery. Finally, the Social Security Act includes its own provisions that prohibit the filing of false claims or submitting false statements in order to obtain payment. Several states have enacted comparable false claims laws which may be broader in scope and apply regardless of payor.

The Social Security Act includes civil monetary penalty provisions that impose penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent. In addition, a person who offers or provides to a Medicare or Medicaid beneficiary any remuneration, including waivers of co-payments and deductible amounts (or any part thereof), that the person knows or should know is likely to influence the beneficiary’s selection of a particular provider, practitioner or supplier of Medicare or Medicaid payable items or services may be liable under the civil monetary penalties statute. Moreover, in certain cases, providers who routinely waive copayments and deductibles for Medicare and Medicaid beneficiaries, for example, in connection with patient assistance programs, can also be held liable under the AKS and FCA. One of the statutory exceptions to the prohibition is non-routine, unadvertised waivers of copayments or deductible amounts based on individualized determinations of financial need or exhaustion of reasonable collection efforts. The Office of Inspector General of the HHS emphasizes, however, that this exception should only be used occasionally to address special financial needs of a particular patient.

HIPAA created new federal criminal statutes that prohibit, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the AKS, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

The EKRA prohibits payments for referrals to recovery homes, clinical treatment facilities, and laboratories. EKRA's reach extends beyond federal health care programs to include private insurance (i.e., it is an “all payor” statute). The full scope of EKRA is uncertain and is subject to a variety of interpretations.

The Physician Payments Sunshine Act, enacted as part of the ACA, also imposed annual reporting requirements on manufacturers of certain devices, drugs and biologics for payments and other transfers of value by them during the previous year to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by such physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding its payments and other transfers of value to physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives during the previous year.

Also, many states have laws similar to those listed above that may be broader in scope and may apply regardless of payor.

Efforts to ensure that our internal operations and business arrangements with third parties comply with applicable laws and regulations involve substantial costs. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of the fraud and abuse laws described above or any other laws that apply to us,
we may be subject to penalties, including potentially significant criminal, civil and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, contractual damages, reputational harm, integrity oversight and reporting obligations, limitations to the sale of certain products or services, diminished profits and future earnings, and the curtailment or restructuring of our operations.

Coverage and Reimbursement

Sales of our SOPHiA platform and related solutions, products and services, if approved for IVD use, may depend substantially on the extent to which they are covered by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or reimbursed by government health administration authorities, private health coverage insurers and other third-party payors.

In the United States, many significant decisions about reimbursement for new diagnostics and medicines are made by CMS, which decides whether and to what extent a new diagnostic or medicine will be covered and reimbursed under Medicare, although it frequently delegates this authority to local MACs. Private payors tend to follow Medicare to a substantial degree. It is difficult to predict what CMS will decide with respect to reimbursement for novel platforms, products and services such as ours. Outside the United States, the reimbursement process and timelines vary significantly. Certain countries, including a number of member states of the EU, set prices and make reimbursement decisions for diagnostics and pharmaceutical products, or medicinal products, as they are commonly referred to in the EU, with limited participation from the marketing authorization or CE mark holders, or may take decisions that are unfavorable to the authorization or CE mark holder where they have participated in the process.

Health Reform

In the United States and some foreign jurisdictions there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system to contain costs, improve quality and expand access to care. For example, the ACA contains a number of provisions, including those governing enrollment in federal healthcare programs, reimbursement changes and fraud and abuse measures, all of which will impact existing government healthcare programs and will result in the development of new programs. There have been executive and judicial challenges to certain aspects of the ACA, as well as efforts to repeal, replace or alter the implementation of certain aspects of the ACA. For example, on June 17, 2021 the U.S. Supreme Court dismissed a challenge on procedural grounds that argued the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by the U.S. Congress. Thus, the ACA will remain in effect in its current form. Further, the Biden administration has taken executive action relating to the ACA and access to healthcare. It is possible that the ACA will be subject to judicial or congressional challenges in the future. It is unclear how any such challenges as well as the healthcare reform measures of the current U.S. presidential administration will affect our business, financial condition and results of operations. In addition, other legislative changes have been adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to CMS payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030 unless additional congressional action is taken, with the exception of a temporary suspension of the 2% cut in Medicare payments from May 1, 2020 through December 31, 2021. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced CMS payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover Medicare overpayments to providers from three to five years. We expect that additional state, federal and foreign healthcare reform measures will be adopted in the future.
Data Privacy and Security

Health Insurance Portability And Accountability Act and Other U.S. Laws and Regulations

Under HIPAA, as amended by HITECH, HHS has issued security, privacy and breach notification regulations pertaining to PHI used or disclosed by certain entities, including certain health care providers such as us.

Three standards have been promulgated under HIPAA's and HITECH's regulations: the Standards for Privacy of Individually Identifiable Health Information, which restrict the use and disclosure of certain individually identifiable health information, the Standards for Electronic Transactions, which establish standards for common healthcare transactions, such as claims information, plan eligibility, payment information and the use of electronic signatures, and the Security Standards for the Protection of Electronic Protected Health Information, which require covered entities and business associates to implement and maintain certain security measures to safeguard certain electronic health information, including the adoption of administrative, physical and technical safeguards to protect such information.

The HIPAA privacy regulations cover the use and disclosure of PHI by covered entities as well as business associates, which are defined to include subcontractors that create, receive, maintain or transmit PHI on behalf of a covered entity or business associate, as well as their covered subcontractors. They also set forth certain rights that an individual has with respect to his or her PHI maintained by a covered entity, including the right to access or amend certain records containing PHI, or to request restrictions on the use or disclosure of PHI. The HIPAA security regulations establish requirements for safeguarding the confidentiality, integrity and availability of PHI that is electronically transmitted or electronically stored. HITECH, among other things, established certain health information security breach notification requirements. A covered entity must notify any individual whose PHI is breached according to the specifications set forth in the breach notification rule. The HIPAA privacy and security regulations establish a uniform federal "floor" for PHI and do not preempt state laws that are more stringent or provide individuals with greater rights with respect to the privacy or security of, and access to, their records containing PHI or insofar as such state laws apply to personal information that is broader in scope than PHI. In addition, individuals (or their personal representatives, as applicable) generally have the right to access test reports directly from laboratories and to direct that copies of those reports be transmitted to persons or entities designated by the individual.

HIPAA authorizes U.S. state attorneys general to file suit on behalf of their residents for violations. Courts are able to award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to file suit against us in civil court for violations of HIPAA, its standards have been used as the basis for duty-of-care cases in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. In addition, violations of HIPAA could result in significant penalties imposed by the HHS’s Office for Civil Rights. HIPAA also mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA-covered entities, such as us, and their business associates for compliance with the HIPAA privacy and security standards. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the civil monetary penalty paid by the violator. Our company may receive, as part of the normal course of its business, PHI that is covered by HIPAA. Considering this, we have certain obligations under HIPAA regarding the use and disclosure of any PHI that may be provided to us. Therefore, noncompliance with privacy and security requirements imposed by HIPAA and HITECH could subject us to significant administrative, civil and criminal penalties.

Further, various states, such as California, have implemented privacy laws and regulations that impose restrictive requirements regulating the use and disclosure of health information and other personally identifiable information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information, and such laws may differ from each other, all of which may complicate compliance efforts. For example, on June 28, 2018, California enacted the CCPA, which became

169
The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. Among other things, the CCPA requires covered companies to provide new disclosures to California consumers about their data collection, use and sharing practices and provide such consumers new data protection and privacy rights, including the ability to opt out of certain sales of personal information, as that phrase is broadly defined. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Additionally, on November 3, 2020, California voters approved a new privacy law, the CPRA, which significantly modifies the CCPA, including by expanding consumers’ rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. Many of the CPRA's provisions will become effective on January 1, 2023. State laws are changing rapidly and there is discussion in the United States of a new comprehensive federal data privacy law to which we would become subject if it is enacted.

Numerous other federal and state laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality and security of patient health information. We intend to continue to comprehensively protect all personal information and to comply with all applicable laws regarding the protection of such information through our policies and procedures as well as through administrative, physical and technical safeguards.

General Data Protection Regulation and Other Foreign Laws and Regulations

As we are operating worldwide, including in the EU and the EEA member states, the UK, and Switzerland, we have to ensure the compliance of our processing activities with different data protection laws and regulations. Non-compliance with these data protection laws and regulations may not only result in high penalties, it can also cause a loss of reputation and trust.

In the EU and the EEA, processing operations of personal data, including health and genetic personal data, are governed by the GDPR. The GDPR strengthens the powers of the relevant authorities and adds a broad array of requirements for handling personal data, including, for example, requirements to establish a legal basis for processing, higher standards for obtaining consent from individuals to process their personal data, more robust disclosures to individuals and a strengthened individual data rights regime, requirements to implement safeguards to protect the security and confidentiality of personal data that requires the adoption of administrative, physical and technical safeguards, shortened timelines for data breach notifications to appropriate data protection authorities or data subjects, limitations on retention and secondary use of information, increased requirements pertaining to health data and additional obligations when we contract third-party processors in connection with the processing of the personal data. EU and EEA member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to and/or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU and the EEA member states governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, the transfer of personal data out of the EEA, security breach notifications and the security and confidentiality of personal data, including the following:

- Lawfulness, fairness and transparency: Personal data must be processed lawfully, fairly and in a transparent manner.
- Purpose limitation: Personal data must be obtained for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
• Data minimization: Personal data processed must be adequate, relevant and limited to what is necessary.
• Accuracy: Personal data must be accurate and, where necessary, kept up to date.
• Storage limitation: Personal data must not be kept longer than is necessary.
• Integrity and confidentiality: Appropriate technical and organizational measures must be put in place to guard against unauthorized or unlawful processing, loss, damage or destruction.

The GDPR authorizes fines for certain violations of up to 4% of global annual revenue or €20 million, whichever is greater, and other administrative penalties. The UK has transposed the GDPR into domestic law, with its version of the GDPR that took effect on January 1, 2021, which could expose us to two parallel regimes, each of which potentially authorizes similar fines for certain violations.

In addition, processing of personal data may be governed by the FADP. The FADP provides for data protection principles that are substantially similar to those applied under the GDPR. The FADP is undergoing a revision that aims to ensure an adequate level of data protection and compatibility with the GDPR. The revised FADP is expected to enter into force in 2022. The purpose of the FADP is to protect the personality rights, including privacy rights, and the fundamental rights of data subjects. The FADP is broad in its material scope and applies to personal data processing activities carried out by federal authorities, private organizations and individual private persons (excluding processing activities for exclusively personal use). The territorial scope of the FADP goes beyond those processing operations carried out in Switzerland, also covering operations that have an effect in Switzerland, even if they originate in another country. Sensitive personal data, including health data, genetic data and biometric data, which unequivocally identify a natural person, are subject to stricter protective measures in various respects. For example, (i) if consent is required, it must be given expressly in the case of processing of sensitive personal data, (ii) controllers must declare their data files to the FDPIC if they regularly process sensitive personal data, (iii) sensitive data must not be disclosed to third parties without justification, (iv) the controller of a data file is obliged to inform the data subject of the collection of sensitive personal data and (v) disclosing sensitive personal data in breach of a professional confidentiality obligation may be criminally prosecuted. Processing activities by companies must not harm the privacy or personality of the data subject. If the FADP is violated, the FDPIC may request that the processing is fully or partially adjusted, suspended or terminated. Additionally, the FADP authorizes certain criminal fines of up to CHF 10,000. The revised FADP will authorize criminal fines for certain violations of up to CHF 250,000. Such fines are mainly imposed upon the individual responsible for the violation. However, the revised FADP also authorizes fines of up to CHF 50,000 on the responsible data controller or processor. Fines under the FADP may be imposed in addition to fines under other data protection regimes. As part of our processing activities, we implemented a global compliance plan with applicable laws and regulations, which includes in particular:

• the appointment of a Data Protection Officer;
• the creation of the Data Protection Committee and the Information Security Committee, of which the Data Protection Officer and the Information Security Director are the respective manager;
• the implementation of contractual documentation with our collaborators, aligned with the GDPR requirements;
• the preparation of procedures and guidelines, such as a global data protection policy, a data breach responses plan and standard operating procedures for data subject requests; and
• the realization of global data mapping by the Data Protection Officer, the Information Security Director and the Compliance Manager.
In particular, the purpose of the Data Protection Committee is to ensure the data and information we process are protected against data protection risks (in compliance with various data privacy regulations and principles of good governance) as well as to assess the effectiveness of our systems, controls and procedures.

The Data Protection Officer is in charge, in particular, of establishing and maintaining processes for receiving, documenting, tracking, investigating and taking actions on all complaints concerning data protection and considering the risks associated with processing operations, taking into account the nature, scope, context and purposes of processing.

For more information regarding risks relating to data privacy and security laws and regulations, see “Risk Factors—Risks Related to Governmental Regulation—We are subject to stringent privacy and, information security laws and regulations and changes in such laws and regulations could adversely affect our business.”

Information Security

We have implemented protections consistent with the ISO/IEC 27001:2013 standard with respect to technical and physical security in an effort to ensure a level of security appropriate to the risk of our processing activities, in particular with respect to protecting the personal data and customer data we process against damage, loss and unauthorized access, use, modification, disclosure, destruction or other misuse. For this purpose, we have what we believe are adequate data breach response plans, disaster recovery plans and security arrangements in place. However, there can be no assurance that our efforts will be successful in protecting against adverse events or successfully mitigating their effects. For more information regarding risks relating to information security, see “Risk Factors—Risks Related to Our Business and Industry—Security or data privacy breaches, other unauthorized or improper access, or denial of access (e.g., ransomware) could result in additional costs, loss of revenue, significant liabilities, harm to our brand and decreased use of our SOPHiA platform and related solutions, products or services.”

Data Use Rights

As part of our activities, we process thousands of genetic profiles for all our customers around the world. As a result, and in accordance with applicable data protection laws and regulations, we may produce aggregate anonymized statistical data from the results of all analysis performed using our proprietary algorithms (“Insights”), which are our sole and exclusive property.

Hence, a distinction is made between customer data (i.e., the data uploaded by our customers on our SOPHiA platform) on the one hand and other data generated and developed by us (i.e., the results of the performance of our proprietary algorithms, such as Insights) on the other hand. In this respect, Insights are generated using our proprietary algorithms in the context of our SOPHiA platform and constitute our know-how and trade secrets.

As part of the performance of our services related to our commercial and research and development activities and in accordance with our contractual documentations accepted by our customers and collaborators, we may use our customers’ and collaborators’ data in particular: (i) for the performance of our contractual obligations; (ii) to anonymize data (and consequently reuse anonymized data); (iii) for scientific or research purposes; (iv) for inclusion in clinical trials; (v) in order to improve our products and/or services; and (vi) as permitted by applicable laws and regulations.

In addition, in accordance with the FADP and the GDPR, we can reuse customer data (including personal data) for further processing activities for statistical purposes. European data protection authorities have previously noted that processing for statistical purposes and for research purposes (including marketing research) are
contexts where legitimate purpose can arise. In addition, the processing of personal data for purposes other than those for which the personal data was initially collected should be allowed where the processing is compatible with the purposes for which the personal data was initially collected.

Specific derogations apply for processing operations for statistical purposes, in accordance with the GDPR, as follows:

- personal data can be stored for longer periods insofar as the personal data will be processed solely for statistical purposes subject to implementation of the appropriate technical and organizational measures;
- information obligations in processing for statistical purposes do not apply if they would involve a disproportionate effort; consideration of this takes into account the number of data subjects and the age of the data, and appropriate safeguards must be adopted; and
- restrictions of the right of a data subject to exercise its “right to erasure” apply if it is likely to significantly impair processing for statistical purposes.

Meanwhile, processing for statistical purposes is subject to certain requirements to:

- set up appropriate safeguards to protect the rights and freedoms of the data subject; and
- implement adequate technical and security measures entrenching the principle of data minimization and using pseudonymized data as the default.

Insights consist of aggregated data providing general trends without identifying individual data subjects and do not contain personally identifiable information. The GDPR does not apply to data that does not relate to or identify an individual, such as aggregated data sets. Consequently, such data sets do not constitute personal data or identifiable information under the GDPR. We believe we have taken reasonable measures to ensure appropriate safeguards and adequate technical and security measures for the processing activities required to generate Insights.

**Environmental, Health and Safety Regulations**

We are subject to various federal, state, local and foreign environmental, health and safety laws and regulations and permitting and licensing requirements. Such laws include those governing laboratory practices, the generation, storage, use, manufacture, handling, transportation, treatment, remediation, release and disposal of, and exposure to, hazardous materials and wastes, and worker health and safety. Our operations involve the generation, use, storage and disposal of hazardous materials, and the risk of injury, contamination or non-compliance with environmental, health and safety laws and regulations or permitting or licensing requirements cannot be eliminated. Compliance with environmental laws and regulations has not had a material effect on our capital expenditures, earning or competitive position.

**International Regulations**

Many countries in which we may offer any of our diagnostic tests in the future have anti-kickback regulations prohibiting providers from offering, paying, soliciting or receiving remuneration, directly or indirectly, in order to induce business that is reimbursable under any national health care program. In situations involving physicians employed by state-funded institutions or national health care agencies, violation of the local anti-kickback law may also constitute a violation of the FCPA.

The FCPA prohibits U.S. and other individuals and companies, and their employees, agents, and intermediaries from offering, providing, giving or authorizing the provision of, directly or indirectly through a third party.
including any potential distributors we may rely on in certain markets, anything of value to a foreign government official with corrupt intent to influence an award or continuation of business or to gain an unfair advantage, whether or not such conduct violates local laws. We can also be held liable for the corrupt or illegal activities of our agents and intermediaries, even if we do not explicitly authorize or have actual knowledge of such activities. In addition, the FCPA requires public companies to maintain accurate books or records and to maintain a system of internal accounting controls.

Violations of the FCPA’s anti-bribery provisions for corporations and other business entities are subject to a fine of up to $2 million, and officers, directors, stockholders, employees, and agents are subject to a fine of up to $100,000 and imprisonment for up to five years. Other countries, including the UK and other member states of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, have similar anti-corruption regulations, such as the United Kingdom Bribery Act 2010.

When marketing our diagnostic tests outside of the United States, we may be subject to foreign regulatory requirements governing human clinical testing, prohibitions on the import of tissue necessary for us to perform our diagnostic tests or restrictions on the export of tissue imposed by countries outside of the United States or the import of tissue into the United States, and marketing approval. These requirements vary by jurisdiction, differ from those in the United States and may in some cases require us to perform additional pre-clinical or clinical testing. In many countries outside of the United States, coverage, pricing and reimbursement approvals are also required.

Facilities

We do not own any real property. We believe that our facilities meet our present needs and we are continuously reviewing our space requirements. The table below sets forth the sizes and uses of our facilities:

<table>
<thead>
<tr>
<th>Location</th>
<th>Primary Function</th>
<th>Approximate Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rue du Centre 172</td>
<td>Office</td>
<td>19,000 ft²</td>
</tr>
<tr>
<td>CH-1025 Saint-Sulpice Switzerland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campus Biotech</td>
<td>Office &amp; Laboratory</td>
<td>5,400 ft²</td>
</tr>
<tr>
<td>Chemin des Mines 9 1202 Geneva Switzerland(1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-ONE Park Building B2 Z A La Pièce 4, 1180 Rolle</td>
<td>Office &amp; Laboratory</td>
<td>11,800 ft²</td>
</tr>
<tr>
<td>Switzerland(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technopole Izarbel 374 Allée Antoine d’Abbadie</td>
<td>Office</td>
<td>3,450 ft²</td>
</tr>
<tr>
<td>Créativité bâtiment A 64210 Bidart France</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bâtiment GIENAH 11 avenue de Canteranne 33600 Pessac</td>
<td>Office</td>
<td>3,450 ft²</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td></td>
</tr>
<tr>
<td>185 Dartmouth Street Boston, Massachusetts 02116</td>
<td>Office</td>
<td>4,880 ft²</td>
</tr>
<tr>
<td>USA</td>
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</tbody>
</table>

174
Our lease at Campus Biotech expires in August 2021 and we do not plan to renew it.
Our lease at A-ONE Park includes additional 7,600 ft² and 19,400 ft² of office space leased as of January 1, 2022 and February 1, 2022, respectively.

We continuously review our anticipated requirements for facilities and, on the basis of that review, may from time to time acquire or lease additional facilities and/or dispose of existing facilities. We are not aware of any environmental issues or other constraints that would materially impact the intended use of our facilities.

Legal Proceedings

From time to time, we may be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. The results of litigation and claims cannot be predicted with certainty. As of the date of this prospectus, we do not believe that we are party to any claim or litigation the outcome of which would, individually or in the aggregate, be reasonably expected to have a material adverse effect on our business.
Management

Executive Officers and Board of Directors

The following table presents information about our executive officers and directors upon the effectiveness of the registration statement of which this prospectus forms a part. The term of each of our directors is one year and, accordingly, will expire at our annual general meeting of shareholders to be held in 2022. Ages are as of June 30, 2021.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position(s)</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurgi Camblong</td>
<td>Chief Executive Officer and Director</td>
<td>43</td>
</tr>
<tr>
<td>Bram Goorden</td>
<td>Chief Operating Officer</td>
<td>47</td>
</tr>
<tr>
<td>Ross Muken</td>
<td>Chief Financial Officer</td>
<td>41</td>
</tr>
<tr>
<td>Daan van Well</td>
<td>Chief Legal Officer</td>
<td>47</td>
</tr>
<tr>
<td>Troy Cox</td>
<td>Chairman of the Board of Directors</td>
<td>57</td>
</tr>
<tr>
<td>Tomer Berkovitz</td>
<td>Director</td>
<td>42</td>
</tr>
<tr>
<td>Kathy Hibbs</td>
<td>Director</td>
<td>57</td>
</tr>
<tr>
<td>Didier Hirsch</td>
<td>Director</td>
<td>70</td>
</tr>
<tr>
<td>Vincent Ossipow</td>
<td>Director</td>
<td>52</td>
</tr>
<tr>
<td>Milton Silva-Craig</td>
<td>Director</td>
<td>53</td>
</tr>
</tbody>
</table>

Unless otherwise indicated, the current business address for our executive officers and directors and our non-executive directors is SOPHiA GENETICS SA, Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland.

Executive Officers

Jurgi Camblong, Ph.D., M.B.A., has served as our Chief Executive Officer and a member of our board of directors since March 2011 when he co-founded our company with Dr. Pierre Hutter and Professor Lars Steinmetz. From 2010 to 2011, Dr. Camblong served as the Chief Executive Officer of Gene Predictis SA. Prior to that, Dr. Camblong was a post-doctoral associate researcher at Oxford University and at the University of Geneva. Dr. Camblong was a member of the Advisory Council on Digital Transformation to the Swiss Government and is a Board member of the Swiss Biotech Association. Dr. Camblong holds a Ph.D. in life sciences from the University of Geneva and an Executive M.B.A. in management of technology from EPFL/HEC Lausanne.

Bram Goorden, M.Sc., has served as our Chief Operating Officer since August 2020. Mr. Goorden has more than 20 years of leadership experience in the life sciences industry. From 2018 to 2020, Mr. Goorden served as the Vice President of International Business and Partnering of Foundation Medicine Inc. From 2016 to 2018, Mr. Goorden served as the General Manager, Head of Therapeutics of Prometheus Laboratories, Inc., a Nestlé Health Science company. Prior to that, Mr. Goorden held various strategic and operations management roles at Nestlé Health Science S.A., UCB S.A. and Eli Lilly and Company. Mr. Goorden holds an M.Sc. in commercial engineering from the University of Antwerp.
Ross Muken, B.Sc., has served as our Chief Financial Officer since February 2021. From 2019 to 2020, Mr. Muken served as the Chief Financial Officer of Click Therapeutics, Inc. From 2012 to 2019, Mr. Muken served as the Senior Managing Director and Partner of Equity Research at Evercore/ISI Group. Prior to that, Mr. Muken served in various roles at Deutsche Bank, including as Managing Director of Equity Research, and at Thomas Weisel Partners. Mr. Muken holds a B.Sc. in business administration from Boston University.

Daan van Well, LL.M., M.B.A., has served as our Chief Legal Officer since June 2019. Mr. Van Well has more than 20 years of legal, governance and compliance experience. From 2018 to 2019, Mr. Van Well served as the founder and managing partner of consulting firm SpringWorks Sàrl. From 2010 to 2017, Mr. Van Well served in various legal positions with PwC Switzerland, including as the Head of Legal from 2011 to 2017. Prior to that, Mr. Van Well served as corporate secretary and senior legal counsel of Royal Ahold N.V. (currently Koninklijke Ahold Delhaize N.V.) and practiced law at Loyens & Loef N.V. in Rotterdam, The Netherlands. Mr. Van Well holds a LL.M. in Dutch civil law from Utrecht University and an Executive M.B.A. in management and corporate finance from HEC Lausanne. Mr. Van Well is co-founder and shareholder of Gran Fondo B.V., a Dutch craft beer company commercializing ABLOC beer.

Non-Executive Directors

Troy Cox, M.B.A., has served as the Chairman of our board of directors since June 2019. From 2017 to 2019, Mr. Cox served as the chief executive officer of Foundation Medicine Inc. From 2010 to 2017, Mr. Cox served as the senior vice president of U.S. commercial of Genentech, Inc. Prior to that, Mr. Cox held various executive and senior positions at UCB S.A., Sanofi-Aventis U.S. LLC and Schering-Plough Corporation. In addition to our board of directors, Mr. Cox serves on the board of directors of Massachusetts Biotechnology Council, Zyneworks Inc., LetsGetChecked and CM Life Sciences II Inc. and previously served on the board of directors of Foundation Medicine Inc. Mr. Cox holds an M.B.A. from the University of Missouri.

Tomer Berkovitz, Ph.D., has served as a member of our board of directors since March 2021. Since 2018, Dr. Berkovitz has served as General Partner and Chief Financial Officer of aMoon Fund, where he co-leads aMoon's Growth fund. From 2014 to 2018, Dr. Berkovitz served as the Chief Operating Officer and Chief Financial Officer of Alcobra Ltd. Prior to that, Mr. Berkovitz served as an Executive Director in J.P. Morgan's investment banking division in New York. In addition to our board of directors, Dr. Berkovitz serves on the board of directors of several other healthcare companies in the aMoon portfolio. Dr. Berkovitz holds a Ph.D. in finance from Columbia Business School.

Kathy Hibbs, J.D., has served as a member of our board of directors since March 2021. Since 2014, Ms. Hibbs has served as the Chief Legal and Regulatory Officer of 23andMe, Inc. Prior to that, Ms. Hibbs held various leadership roles in legal, business development and compliance functions at Genomic Health, Inc., Monogram Biosciences Inc. and Varian Medical Systems, Inc. Ms. Hibbs previously served on the board of directors of Decipher Biosciences, Inc. Ms. Hibbs holds a J.D. from the University of California, Hastings College of Law.

Didier Hirsch, M.Sc., M.S., has served as a member of our board of directors since June 2020. From 2010 to 2018, Mr. Hirsch served as the senior vice president and chief financial officer of Agilent Technologies, Inc. Prior to that, Mr. Hirsch held various leadership roles in finance at Agilent Technologies, Inc. and Hewlett-Packard Company. In addition to our board of directors, Mr. Hirsch serves on the board of directors of Logitech International S.A. and Knowles Corporation and previously served on the board of directors of International Rectifier Corporation. Mr. Hirsch holds an M.Sc. in computer science from Toulouse University and an M.S. in industrial administration from Purdue University.

Vincent Ossipow, Ph.D., has served as a member of our board of directors since June 2014. Dr. Ossipow has been a partner at Omega Funds. Dr. Ossipow has also served as the Chief Scientific Officer of Omega Alpha
Milton Silva-Craig, J.D., M.B.A., has served as a member of our board of directors since November 2019. Since 2014, Mr. Silva-Craig has served as the Chief Executive Officer of Q-Centrix, LLC. Prior to that, Mr. Silva-Craig held executive positions at TransUnion LLC, Technology Solutions Company, Emageon Inc and General Electric Healthcare. In addition to our board of directors, Mr. Silva-Craig serves on the board of directors for Q-Centrix, LLC and previously served on the board of directors of HealthMyne, Inc. Mr. Silva-Craig holds a J.D. and M.B.A. from the University of Wisconsin – Madison.

All of our directors were appointed pursuant to our shareholders’ agreement, which will terminate upon the closing of this offering. See “Related Party Transactions—Shareholders’ Agreement.”

There are no family relationships among any of our directors or executive officers.

Board Composition and Election of Directors After This Offering

Our board of directors will be composed of seven members after this offering. Each director is elected for a one-year term. The members of our board of directors will serve until our first annual general meeting of shareholders as a public company in 2022.

We are a foreign private issuer under the rules of the SEC. As a result, in accordance with the Nasdaq listing standards, we will rely on home country governance requirements and certain exemptions thereunder rather than on Nasdaq’s corporate governance requirements, including the requirement that, within one year of the completion of this offering, we have a board that is composed of a majority of independent directors. For an overview of our corporate governance principles, see “Description of Share Capital and Articles of Association.”

Committees of the Board of Directors

Our board of directors will have three committees upon the effectiveness of the registration statement of which this prospectus forms a part: an audit committee, a compensation committee and a nomination and corporate governance committee.

Audit Committee

The audit committee, which is expected to consist of Didier Hirsch (chair), Kathy Hibbs and Milton Silva-Craig, will assist our board of directors in overseeing our accounting and financial reporting processes and the audits of our consolidated financial statements. In addition, the audit committee will be directly responsible for the compensation, retention and oversight of the work of our independent registered public accounting firm that our shareholders elect as our external auditors. The audit committee will consist exclusively of members of our board of directors who are financially literate, and each of Didier Hirsch and Milton Silva-Craig is considered an “audit committee financial expert” as defined by the SEC. Our audit committee complies with Rule 10A-3(b)(1) of the Exchange Act. Our board of directors has determined that each of Didier Hirsch, Kathy Hibbs and Milton Silva-Craig satisfy the “independence” requirements set forth in Rule 10A-3 under the Exchange Act.

The audit committee will be governed by a charter that complies with the Nasdaq listing standards that apply to us. The audit committee will have the responsibility to, among other things:

- select, appoint, compensate, retain, terminate and oversee the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services;
• pre-approve the audit services and non-audit services (including the fees and terms thereof) to be provided by the independent auditor pursuant to pre-approval policies and procedures;

• review and approve the planned scope and timing of our independent registered public accounting firm's annual audit plan(s);

• discuss significant findings from the audit and any problems or difficulties encountered, including any restrictions on the scope of our independent registered public accounting firm's activities or on access to requested information, and any significant disagreements with management;

• evaluate the independent auditor's qualifications, performance and independence, and present its conclusions with respect to the independent auditor to the board of directors on at least an annual basis;

• supervise the ethics committee as provided in the Code of Ethics, consider related party transactions and supervise compliance with any other policies over which the audit committee has oversight authority;

• review and discuss with management and the independent auditor the annual audited consolidated and stand-alone financial statements and unaudited quarterly financial statements and make its recommendation to the board of directors for their presentation to the general meeting of shareholders for approval;

• review with management and the independent auditor (i) any analyses or other written communications prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, (ii) our critical accounting policies and practices, (iii) the effect of regulatory and accounting initiatives, as well as off-balance-sheet transactions and structures, on our financial statements and (iv) any major issues regarding accounting principles and financial statement presentations;

• in conjunction with the chief executive officer and chief financial officer, review disclosure controls and procedures and internal control over financial reporting;

• review and discuss with the independent auditor any audit problems or difficulties and management's response thereto;

• discuss with the chief financial officer and the chief executive officer the results of its review of the management or internal control letter issued by the independent auditor;

• resolve disagreements between management and the auditor regarding our financial reporting;

• review our risk assessment and risk management policies and practices;

• establish procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters, as well as the receipt of summary whistleblower reports and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

• review our compliance with laws and regulations; and

• review any major litigation or investigations against us that may have a material impact on our financial statements.

The audit committee will meet as often as it determines is appropriate to carry out its responsibilities, but in any event will meet at least quarterly.
Compensation Committee

The compensation committee, which is expected to consist of Milton Silva-Craig (chair), Troy Cox and Tomer Berkovitz, will support our board of directors in establishing and reviewing the compensation and benefits strategy and guidelines as well as in preparing the proposals to the annual general meeting of shareholders regarding the compensation of the members of the board of directors and the executive officers. The compensation committee may submit proposals to the board of directors on other compensation-related matters. Swiss law requires that we have a compensation committee, so in accordance with Nasdaq listing standards, we will follow home country requirements with respect to the compensation committee. As a result, our practice will vary from Nasdaq listing standards, which set forth certain requirements as to the responsibilities, composition and independence of compensation committees for domestic issuers. Swiss law requires that our board of directors submit the aggregate amount of compensation of all members of our board of directors and of all executive officers to a binding shareholder vote every year. Commencing with our annual general meeting of shareholders in 2022, the members of the compensation committee will be elected by our annual general meeting of shareholders. The board of directors will appoint the chair of the compensation committee and fill any vacancies until the following annual general meeting of shareholders.

The compensation committee will have the responsibility to, among other things:

- regularly review and make recommendations to the board of directors regarding our compensation and benefits strategy and guidelines;
- review and make recommendations to the board of directors regarding the compensation of the members of the board of directors, of the executive committee and of our extended management team;
- prepare the proposals to the shareholders’ meeting regarding the compensation of the members of the board of directors and of the executive committee;
- review and approve the recommendation of our chief executive officer regarding the fixed and variable compensation, including incentive plan participation and benefits, of the members of the management team other than members of the executive committee;
- review and make recommendations to the board of directors regarding our compensation and benefits plans (cash and/or equity-based plans) and, where appropriate or required, make recommendations to adopt, amend and terminate such plans;
- to the extent not delegated by the compensation committee to a different body or a third party, administer our compensation and benefits plans; and
- review and assess risks arising from our employee compensation policies and practices and whether any such risks are reasonably likely to have a material adverse effect on us.

Nomination and Corporate Governance Committee

The nomination and corporate governance committee, which is expected to consist of Kathy Hibbs (chair), Troy Cox and Didier Hirsch, will be responsible for director and board committee nominations, succession planning, performance evaluation and reviewing and amending, if required, our corporate governance framework and guidelines. The members of the nomination and corporate governance committee and its chair will be appointed by our board of directors.

The nomination and corporate governance committee will have the responsibility to, among other things:

- determine selection criteria for the succession of the members of the board of directors and board committees, our chief executive officer and our chief financial officer, and establish such succession planning
(including for the event of the incapacitation, retirement or removal of such individuals) by making recommendations to the board of directors;

- oversee searches, identify qualified individuals and recommend individuals for membership on the board of directors and for the position of chief executive officer;
- recommend individuals for appointment to the audit committee annually and as vacancies or newly created positions occur;
- at least annually, prepare the board of directors’ assessment of the performance of the board of directors and board committees and of our chief executive officer;
- review the recommendations of the other board committees based on their self-evaluations and discuss its own evaluation with the board of directors;
- monitor and assess developments and trends in corporate governance to the extent that these do not have an impact on the activities and tasks of the audit committee or the compensation committee;
- review proposals to be made to the board of directors for the amendment of our amended and restated articles of association, our organizational regulations, and any other charter, rules or regulations;
- approve in advance any acceptance by a member of our management of a position as member of the board of directors in companies not belonging to our group;
- periodically review and assess the adequacy of the charter of the nomination and corporate governance committee and recommend any proposed changes to the board of directors for approval;
- if it deems necessary, develop and recommend to the board of directors corporate governance guidelines for us;
- periodically review and reassess the adequacy of the Code of Ethics and recommend any proposed changes to the board of directors;
- oversee compliance with the Code of Ethics and report on such compliance to the board of directors;
- supervise the ethics committee as provided in the Code of Ethics; and
- review and consider any requests for waivers of the Code of Ethics for members of our board of the directors, our management and other senior financial officers, and make a recommendation to our board of directors with respect to such request for a waiver.

**Code of Ethics**

We have adopted the Code of Ethics, which is applicable to all of our employees, executive officers and directors. Upon the effectiveness of the registration statement of which this prospectus forms a part, the Code of Ethics will be available on our website [www.sophiagenetics.com](http://www.sophiagenetics.com). Our board of directors will be responsible for overseeing the Code of Ethics and will be required to approve any waivers of the Code of Ethics for our executive officers and directors. We expect that any amendments to the Code of Ethics, or any waivers of its requirements, will be disclosed in our annual report on Form 20-F.

**Corporate Governance Practices**

As a "foreign private issuer," as defined by the SEC, we are permitted to follow home country corporate governance practices instead of certain corporate governance standards required by Nasdaq for U.S.
companies. Accordingly, we intend to follow Swiss corporate governance rules in lieu of certain of Nasdaq’s corporate governance requirements. The significant differences between our Swiss corporate governance rules and Nasdaq's corporate governance requirements are set forth below:

- Exemption from the requirement that a majority of the board of directors be comprised of independent directors and that there be regularly scheduled meetings with only the independent directors present. Swiss law does not have such a requirement.

- Exemption from the requirements that the compensation committee and the nomination and corporate governance committee be comprised of independent directors. Swiss law does not have such requirements.

- Exemption from quorum requirements applicable to meetings of shareholders. Swiss law does not have such quorum requirements.

- Exemption from the requirement that independent directors meet at regularly scheduled executive sessions. Swiss law does not have such a requirement.

- Exemption from the requirement to disclose within four business days of any determination to grant a waiver of the Code of Ethics to directors and executive officers. Although we will require approval by our board of directors for any such waiver, we may choose not to disclose the waiver in the manner set forth in the Nasdaq listing standards.

- Exemption from the requirement to obtain shareholder approval for certain issuances of securities, including shareholder approval of share option plans. Our amended and restated articles of association will provide that our board of directors is authorized, in certain instances, to issue a certain number of ordinary shares without re-approval by our shareholders.

Furthermore, Nasdaq Rule 5615(a)(3) provides that a foreign private issuer may rely on home country corporate governance practices in lieu of certain of the rules in the Nasdaq Rule 5600 Series and Rule 5250(d), provided that it nevertheless complies with Nasdaq’s Notification of Noncompliance requirement (Rule 5625) and the Voting Rights requirement (Rule 5640) and that it has an audit committee that satisfies Rule 5605(c)(3), consisting of committee members that meet the independence requirements of Rule 5605(c)(2)(A)(ii). We intend to use these exemptions for as long as we continue to qualify as a foreign private issuer.

**Compensation of Directors and Executive Officers**

For the year ended December 31, 2020, the aggregate compensation paid or accrued to the members of our board of directors and our executive officers for services in all capacities, including retirement and similar benefits, was $2.4 million. Pursuant to Swiss law, beginning at our first annual general meeting as a public company in 2022, we will be required to submit the aggregate amount of compensation of our board of directors and the aggregate amount of compensation of our executive officers to a binding say-on-pay vote by our shareholders.

In connection with this offering, we intend to grant restricted stock unit and option awards to certain of our executive officers under our 2021 Equity Incentive Plan. Specifically, each eligible executive officer will receive an award of restricted stock units for 25% of the aggregate grant date fair value of their awards and an award of options at an exercise price equal to the initial public offering price per share for the remaining 75% of the aggregate grant date fair value of their awards. These awards will have the same vesting schedule, with one-fourth of each award vesting upon the first anniversary of the vesting commencement date and the remaining three-fourths of the award vesting in equal monthly installments over the subsequent three years, in each case, subject to the executive officer’s continued service with us through the applicable vesting date. In
addition, in connection with this offering, we intend to grant restricted stock unit awards to our non-employee directors under our 2021 Equity Incentive Plan. Each restricted stock unit award will vest upon our next annual general meeting of shareholders, subject to the non-employee director’s continued service with us through such date.

**Equity Incentive Plans**

*Prior Plans*

Historically, we granted equity compensation in the form of stock options to purchase our ordinary shares to our directors, employees and advisors under the ISOPs.

The 2013 ISOP and 2019 ISOP were initially adopted by our board of directors on May 16, 2013 and March 6, 2019, respectively. On April 22, 2021, our board of directors approved certain amendments to our 2019 ISOP. Following this offering and in connection with the effectiveness of the SOPHIA GENETICS 2021 Equity Incentive Plan, no further options will be granted under the ISOPs. However, all outstanding options under the ISOPs will continue to be governed by their existing terms under their applicable plan.

*Plan Administration.* The purpose of the ISOPs is to give participants the opportunity to participate in our future success, thereby furthering the interests of the Company and our shareholders. The ISOPs are administered by our board of directors, subject to the board of directors’ discretion to delegate any administrative responsibilities. All decisions made by our board of directors pursuant to the ISOPs are final, conclusive and binding on all participants.

*Eligible Participants.* Our board of directors has the absolute discretion to select from and grant options under the ISOPs to directors, employees and advisors of the Company and its subsidiaries.

*Vesting and Exercise.* Options granted under the 2013 ISOP generally vest in two equal installments, on the second and third anniversary of the grant date, and options granted under the 2019 ISOP generally vest in four equal installments, on the first four anniversaries of the grant date, in each case, subject to the participant's continued employment or service with us through the applicable vesting date. Subject to the limitation of any applicable securities or tax law, options may be exercised as soon as they vest if the participant has paid the exercise price and the applicable withholding tax, entered into our shareholders agreement applicable at the time the options were exercised, and executed and delivered any other documents required by law.

*Termination of Service.* If a participant's employment or service with us is terminated by us for cause, by the participant's resignation, or as a result of the participant's breach of the applicable ISOP or award agreement thereunder, our shareholders agreement, any other agreement pertaining the participant's employment or service with us, such as any restrictive covenant the participant is subject to, or any applicable law, then all of the participant's options, whether vested or unvested, will be immediately forfeited without consideration. If a participant's employment or service with us is terminated due to the participant's retirement, then the participant's vested options will remain exercisable for three years following retirement under the 2013 ISOP and for 12 months following retirement under the 2019 ISOP. If a participant’s employment or service with us is terminated due to the participant’s disability, then the participant's unvested options will continue to vest for a further three years under the 2013 ISOP and a further 18 months under the 2019 ISOP. If a participant's employment or service with us is terminated for any other reason, then, under the 2013 ISOP, the participant's options will continue to vest for a further three years, and under the 2019 ISOP, the participant's vested options will remain exercisable for 12 months following termination. Any option that is unvested on the date a participant's employment or service with us is terminated or, if applicable, at the end of the extended vesting period following such termination, is forfeited for no consideration. Before completion of this offering, we plan to amend the terms of the existing unvested options held by our executive officers and certain other employees.
to provide that such options will vest immediately if either we terminate the participant's employment relationship for any reason other than for cause, or if the participant terminates his or her employment relationship for good reason.

**Change in Control.** Under the 2013 ISOP, in the event of a change of control or an initial public offering of the Company, unvested options will become fully vested and exercisable on the date of such change of control or offering. Under the 2019 ISOP, in the event of a change of control of the Company or a business combination between the Company and a special purpose acquisition company, unvested options will become fully vested and exercisable on the date of such change of control or business combination, and in the event of an initial public offering or a public listing of the Company, unvested options that would otherwise vest during the six months following such offering or listing will become fully vested and exercisable on the date of such offering or listing. Before completion of this offering, we plan to amend the terms of the existing unvested options held by our executive officers and certain other employees to provide that such options will vest immediately in the event of a change of control of the Company.

**Termination and Amendment.** Our board of directors has the authority to construe, interpret, amend or terminate the ISOPs and to establish and amend rules and regulations relating to the administration of the ISOPs.

**2021 Equity Incentive Plan**

On June 29, 2021, our shareholders approved the SOPHIA GENETICS SA 2021 Equity Incentive Plan (the “2021 Equity Incentive Plan”) that our board of directors had previously adopted. The purpose of the 2021 Equity Incentive Plan is to motivate and reward performance of our employees, directors, consultants and advisors and further the best interests of the Company and our shareholders. The 2021 Equity Incentive Plan is the sole means for the Company to grant new equity incentive awards following this offering.

**Plan Administration.** The 2021 Equity Incentive Plan is administered by the compensation committee of our board of directors, subject to the board of directors’ discretion to administer or appoint another committee to administer it.

**Awards.** Equity incentive awards under the 2021 Equity Incentive Plan may be granted in the form of options (including incentive stock options and non-qualified stock options), share appreciation rights, restricted shares, restricted share units, performance awards or other share-based awards. Options and share appreciation rights will have an exercise price determined by the compensation committee and, in the case of options granted to a participant subject to U.S. taxation, will not be less than fair market value of the underlying ordinary shares on the date of grant (or, if such options consist of incentive stock options and the participant owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock (a “ten percent shareholder”), an exercise price not be less than 110% of the fair market value of the underlying ordinary shares on the date of grant). In addition, under the 2021 Equity Incentive Plan, options and share appreciation rights may not have a term that exceeds ten years (or, in the case of an incentive stock option granted to a ten percent shareholder, a term that exceeds five years).

**Eligible Participants.** The compensation committee is able to offer equity awards at its discretion under the 2021 Equity Incentive Plan to (1) any employees of us or any of our subsidiaries, (2) any non-employee directors serving on our board of directors and (3) any consultants or other advisors to us or any of our subsidiaries; provided that only employees of our company or certain of our subsidiaries may be granted incentive stock options. To the extent required by applicable law and our articles of association in effect from time to time, all awards and rights, payments and benefits granted or made under the 2021 Equity Incentive Plan to our directors and executive officers are subject to the approval of the relevant total amount of compensation by our shareholders.
Share Reserve. The maximum number of ordinary shares initially reserved for issuance pursuant to awards under the 2021 Equity Incentive Plan is 7,800,740 ordinary shares, which will be increased on the first day of each fiscal year of the Company, beginning with the 2022 fiscal year, in an amount equal to the least of (i) a number of ordinary shares equal to five percent (5%) of the total number of shares of all classes of shares of the Company outstanding on the last day of the immediately preceding fiscal year, (ii) such number of shares determined by our board of directors, and (iii) the aggregate number of shares available to our board of directors under our articles of association or otherwise that may be granted as, or be subject to, equity incentive awards on such date. To ensure that our board of directors can reserve a sufficient number of ordinary shares for purposes of the 2021 Equity Incentive Plan, the Company plans to request its shareholders approve annual increases to the Company’s conditional share capital for employee participation (see “Description of Share Capital and Articles of Association—Articles of Association—Our Conditional Share Capital—Conditional Share Capital for Employee Participation” for more information). Notwithstanding the foregoing, no more than 7,800,740 ordinary shares may be issued in respect of incentive stock options. In addition, ordinary shares reserved for issuance under the 2021 Equity Incentive Plan are subject to adjustment in the event of certain corporate transactions or events if necessary to prevent dilution or enlargement of the benefits made available under the 2021 Equity Incentive Plan.

Vesting. The vesting conditions for grants under the equity incentive awards under the 2021 Equity Incentive Plan are set forth in the applicable award documentation.

Termination of Service and Change in Control. In the event of a participant’s termination of employment or service, the compensation committee may, in its discretion, determine the extent to which an equity incentive award may be exercised, settled, vested, paid or forfeited. In the event of a change in control by way of a merger, a sale of the Company’s securities, a sale of all or substantially all of the Company’s assets or similar transaction, each award that is outstanding as of immediately prior to such change in control will, (i) to the extent not then vested, accelerate and become fully vested (with any performance award assumed to have achieved the applicable performance criteria at the greater of target and maximum level of performance), and (ii) be cancelled and converted into the right to receive a payment in cash with a value equal to the value of such award based on the per share value of consideration received or to be received by other shareholders of the Company in such change in control, with the value of the any such award that is an option or a share appreciation right reduced by the applicable exercise price. In the event of a change in control, the compensation committee may also, in lieu of the acceleration and cash out of outstanding awards described above, take any one or more of the following actions with respect to outstanding awards that the compensation committee determines to be appropriate: (i) cancel any such award in exchange for a payment in securities or other property other than cash or any combination thereof with a value equal to the value of such award based on the per share value of consideration received or to be received by other shareholders in the event (or without payment of consideration if the compensation committee determines that no amount would have been realized upon the exercise of the award or other realization of the participant’s rights); (ii) require the exercise of any outstanding option; (iii) provide for the assumption, substitution, replacement or continuation of any award by the successor or surviving corporation, along with appropriate adjustments with respect to the number and type of securities (or other consideration) of the successor or surviving corporation, subject to any replacement awards, the terms and conditions of the replacement awards (including performance targets) and the grant, exercise or purchase price per share for the replacement awards; (iv) make any other adjustments in the number and type of securities (or other consideration) subject to awards that may be granted in the future; (v) provide that any such award shall be accelerated and become exercisable, payable and/or fully vested with respect to all ordinary shares covered thereby or (vi) provide that any award shall not vest, be exercised or become payable as a result of such event.
Termination and Amendment. Unless terminated earlier, the 2021 Equity Incentive Plan will continue for a term of ten years. Our board of directors has the authority to amend or terminate the 2021 Equity Incentive Plan subject to shareholder approval with respect to certain amendments. However, no such action may materially adversely affect the rights of any participant under any outstanding award without the consent of the affected participant.

Employment Agreements
We have entered into employment agreements with certain of our executive officers. Each of these agreements provides for an initial salary and annual bonus opportunity, as well as participation in certain pension and welfare benefit plans. These agreements may require advance notice of termination and in some cases provide for paid garden leave. Some of our executive officers have agreed to covenants not to compete against us or solicit our employees or customers during employment and for a period of up to one year following termination. We may be required to pay some of our executive officers compensation for their covenant not to compete with us following termination. If an executive officer’s employment terminates without “cause” or for “good reason”, or there is a “change in control” of us (as each of those terms are defined in their employment agreement or award agreement), then their then-unvested awards granted under the 2013 ISOP and 2019 ISOP will become fully vested at such time.
**Principal Shareholders**

The following table presents information relating to the beneficial ownership of our ordinary shares immediately prior to the completion of this offering by:

- each person, or group of affiliated persons, known by us to own beneficially 5% or more of our outstanding ordinary shares;
- each of our executive officers and directors and persons nominated to serve in such positions; and
- all executive officers and directors and persons nominated to serve in such positions as a group.

The number of ordinary shares beneficially owned by each entity, person, executive officer or director is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any ordinary shares over which the individual has sole or shared voting power or investment power as well as any ordinary shares that the individual has the right to acquire within 60 days from the completion of this offering through the exercise of any option or other right. Except as otherwise indicated, and subject to applicable community property laws, we believe that the persons named in the table have sole voting and investment power with respect to all ordinary shares held by that person based on information provided to us by such person.

The percentage of outstanding ordinary shares beneficially owned before this offering is computed on the basis of the number of ordinary shares outstanding immediately prior to the completion of this offering. Ordinary shares that a person has the right to acquire within 60 days are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all executive officers and directors as a group. Unless otherwise indicated below, the business address for each beneficial owner is SOPHiA GENETICS SA, Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland.

The percentage of ordinary shares beneficially owned after this offering is based on the number of ordinary shares that will be outstanding upon the completion of this offering. The percentages assume no exercise by the underwriters of their option to purchase additional shares and do not give effect to any shares that may be acquired by our shareholders, directors or executive officers in this offering.

As of the date of this prospectus, to our knowledge, 22 U.S. record holders held approximately 3.48% of our ordinary shares.

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<tr>
<th>Principal Shareholders</th>
<th>Number of Ordinary Shares Beneficially Owned</th>
<th>Percentage of Ordinary Shares Beneficially Owned Before This Offering</th>
<th>Percentage of Ordinary Shares Beneficially Owned After This Offering</th>
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<tr>
<td>5% or Greater Shareholders</td>
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<tr>
<td>Alychlo NV(1)</td>
<td>6,993,800</td>
<td>14.2%</td>
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<tr>
<td>Generation IM Sustainable Solutions Fund III, L.P.(2)</td>
<td>6,789,560</td>
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<tr>
<td>Balderton Capital VI, S.L.P.(3)</td>
<td>3,361,880</td>
<td>6.8%</td>
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<td>Executive Officers and Directors</td>
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<tr>
<td>Tomer Berkovitz</td>
<td></td>
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<tr>
<td>Jurgi Camblong</td>
<td>2,211,240</td>
<td>4.5%</td>
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<td>Troy Cox</td>
<td>111,420</td>
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<td>Bram Goorden</td>
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<tr>
<th>Principal Shareholders</th>
<th>Number of Ordinary Shares Beneficially Owned</th>
<th>Percentage of Ordinary Shares Beneficially Owned</th>
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<tr>
<td></td>
<td>Before This Offering</td>
<td>After This Offering</td>
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<tr>
<td><strong>Kathy Hibbs</strong></td>
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<tr>
<td><strong>Didier Hirsch</strong></td>
<td>—</td>
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<tr>
<td><strong>Ross Muken</strong></td>
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<td>—</td>
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<tr>
<td><strong>Vincent Ossipow</strong></td>
<td>275,980</td>
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<td><strong>Milton Silva-Craig</strong></td>
<td>78,760</td>
<td>*</td>
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<tr>
<td><strong>Daan van Well</strong></td>
<td>30,000</td>
<td>*</td>
</tr>
<tr>
<td>All executive officers and directors as a group (10 persons)</td>
<td>2,742,400</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

* Less than 1% of our total outstanding ordinary shares.

(1) Alychlo NV is the record holder of the ordinary shares. Marc Coucke is the owner, chairman and managing director of Alychlo NV and thus may be deemed to have beneficial ownership of our ordinary shares held by Alychlo NV. The business address of each of Alychlo NV and Marc Coucke is Lembergsesteenweg 19, 9820 Merelbeke, Belgium.

(2) Generation IM Sustainable Solutions Fund III, L.P. is the record holder of the ordinary shares. The general partner of Generation IM Sustainable Solutions Fund III L.P. is Generation IM Sustainable Solutions III, GP Ltd, which is a wholly owned subsidiary of Generation Investment Management LLP, which is the investment manager of Generation IM Sustainable Solutions Fund III, L.P. Therefore, each of Generation IM Sustainable Solutions III, GP Ltd and Generation Investment Management LLP may be deemed to have beneficial ownership of our ordinary shares held by Generation IM Sustainable Solutions Fund III, L.P. The business address of each of these entities is c/o Generation Investment Management LLP, 20 Air Street, 7th Floor, London W1B 5AN, United Kingdom.

(3) Balderton Capital VI, S.L.P. is the record holder of the ordinary shares. The general partner of Balderton Capital VI, S.L.P. is Balderton Capital General Partner VI, S.ar.l. Therefore, Balderton Capital General Partner VI, S.ar.l., may be deemed to have beneficial ownership of our ordinary shares held by Balderton Capital VI, S.L.P. The business address of each of these entities is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL, United Kingdom.
Related party transactions

The following is a description of certain related party transactions we have entered into since January 1, 2018 with any of our executive officers and directors or their affiliates and holders of more than 10% of any class of our voting securities in the aggregate, which we refer to as related parties, other than compensation arrangements, which are described under “Management.”

Sales of Securities

Sale of Series E Preferred Shares

In December 2018, we entered into an investment agreement, which included customary representations and warranties and covenants, pursuant to which we issued and sold an aggregate of 350,702 Series E preferred shares at a purchase price of $155.38 per share (which is equal to 7,014,040 ordinary shares at a purchase price of $7.77 per share after giving effect to the Share Capital Reorganization) for an aggregate purchase price of $54.5 million. The following table sets forth the number of our preferred shares (and the number of our ordinary shares after giving effect to the Share Capital Reorganization) purchased by our related parties:

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>Number of Preferred Shares (Number of Ordinary Shares After Giving Effect to the Share Capital Reorganization) Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alychlo NV</td>
<td>61,900(1,238,000)</td>
</tr>
<tr>
<td>Generation IM Sustainable Solutions Fund III, L.P.</td>
<td>228,845(4,576,900)</td>
</tr>
</tbody>
</table>

Sale of Series F Preferred Shares

In June and September 2020, we entered into two investment agreements, which included customary representations and warranties and covenants, pursuant to which we issued and sold an aggregate of 465,847 Series F preferred shares for an aggregate purchase price of $108.7 million, of which 283,224 Series F preferred shares were sold in June 2020 at a purchase price of $230.63 per share (which is equal to 5,664,480 ordinary shares at a purchase price of $11.53 per share after giving effect to the Share Capital Reorganization) and 182,623 Series F preferred shares were sold in September 2020 at a purchase price of $237.71 per share (which is equal to 3,652,460 ordinary shares at a purchase price of $11.89 per share after giving effect to the Share Capital Reorganization) in September 2020. The following table sets forth the number of our preferred shares (and the number of our ordinary shares after giving effect to the Share Capital Reorganization) purchased by our related parties:

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>Number of Preferred Shares (Number of Ordinary Shares After Giving Effect to the Share Capital Reorganization) Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alychlo NV</td>
<td>11,679(233,580)</td>
</tr>
<tr>
<td>Generation IM Sustainable Solutions Fund III, L.P.</td>
<td>19,465(389,300)</td>
</tr>
</tbody>
</table>
Shareholders’ Agreement

In June 2020, we and our then-shareholders entered into a shareholders’ agreement (the “Shareholders’ Agreement”), which replaced our prior shareholders’ agreements. The Shareholders’ Agreement provided our shareholders with certain rights, including information rights, director designation rights, veto rights, pre-emptive subscription rights, tag-along right, drag-along right, anti-dilution rights and liquidation preferences and contains certain provisions governing our board of directors. The Shareholders’ Agreement will terminate upon the consummation of this offering.

Related Person Transaction Policy

We have adopted a related person transaction policy. Our related person transaction policy states that any related person transaction must be approved or ratified by our audit committee or board of directors. In determining whether to approve or ratify a transaction with a related person, our audit committee or board of directors will consider all relevant facts and circumstances, including, without limitation, the commercial reasonableness of the terms of the transaction, the benefit and perceived benefit, or lack thereof, to us, the opportunity costs of an alternative transaction, the materiality and character of the related person’s direct or indirect interest and the actual or apparent conflict of interest of the related person. Our audit committee or board of directors will not approve or ratify a related person transaction unless it has determined that, upon consideration of all relevant information, such transaction is in, or not inconsistent with, our best interests and the best interests of our shareholders.

Indemnification Agreements

We have entered into indemnification agreements with our executive officers and directors. The indemnification agreements and our amended and restated articles of association require us to indemnify our executive officers and directors to the fullest extent permitted by law.

Directed Share Program

At our request, the underwriters have reserved up to 5% of the ordinary shares offered by this prospectus for sale, at the initial public offering price, to our employees and to friends, professional contacts and family members of our employees and directors. We do not currently know the extent to which these related persons will participate in the directed share program, if at all.
Description of share capital and articles of association

Our Company
We were incorporated as a Swiss stock corporation (société anonyme) under the laws of Switzerland on March 18, 2011. Our seat is in Saint-Sulpice, Canton of Vaud, Switzerland. We have six subsidiaries: SOPHiA GENETICS, Inc., SOPHiA GENETICS S.A.S., SOPHiA GENETICS LTD., SOPHiA GENETICS Intermediação de Negócios EIRELI, SOPHiA GENETICS PTY LTD. and SOPHiA GENETICS SRL. Our registered and principal executive office is located at Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland.

Share Capital
Immediately prior to the completion of this offering, our outstanding share capital will consist of 49,227,000 ordinary shares, after giving effect to the Share Capital Reorganization. Upon the closing of this offering, after giving effect to the issuance of the ordinary shares to be sold in this offering, our outstanding fully paid-in share capital will consist of ordinary shares, each with a par value of CHF 0.05 per share.

Changes in Our Share Capital During the Last Three Fiscal Years
As of this date of the prospectus, our share capital as registered with the commercial register of the Canton of Vaud, Switzerland (the “Commercial Register”) amounted to 49,227,000 ordinary shares, all of which were outstanding, each with a par value of CHF 0.05 per share.

In this section, share amounts are presented as of the date of the relevant transaction, without accounting for the Share Capital Reorganization. Since January 1, 2018, our share capital has changed as follows:

- On August 21, 2018, our share capital as registered with the Commercial Register on September 7, 2018, was increased by issuing 32,320 ordinary shares;
- On December 6, 2018, our share capital as registered with the Commercial Register was updated to reflect the issuance of 13,875 ordinary shares out of our conditional share capital;
- On December 12, 2018, our share capital as registered with the Commercial Register on December 13, 2018, was increased by issuing 350,702 Series E preferred shares;
- On May 29, 2020, our share capital as registered with the Commercial Register was updated to reflect the issuance of 39,975 ordinary shares out of conditional share capital;
- On June 25, 2020, our share capital as registered with the Commercial Register on June 25, 2020, was increased by issuing 283,224 Series F preferred shares;
- On September 23, 2020, our share capital as registered with the Commercial Register on September 29, 2020 was increased by issuing 182,623 Series F preferred shares;
- On June 25, 2021, our share capital as registered with the Commercial Register was updated to reflect the issuance 74,265 ordinary shares out of conditional share capital; and
- In the one-to-twenty share split of all issued shares effected on June 30, 2021, each of our issued shares was split into 20 shares of the same class with a par value of CHF 0.05 per share.

Articles of Association
Prior to the closing of this offering, we intend to adopt amended and restated articles of association, which will become effective upon the closing of this offering and the registration of the amended and restated articles of
association with the Commercial Register. When we refer to our articles of association in this section, we refer to our amended and restated articles of association as they will be in force upon the closing of this offering.

Ordinary Capital Increase, Authorized and Conditional Share Capital

Under Swiss law, we may increase our share capital (capital-actions) with a resolution of the general meeting of shareholders (ordinary capital increase) that must be carried out by the board of directors within three months of the respective general meeting in order to become effective. Under our articles of association and Swiss law, in the case of subscription and increase against payment of contributions in cash, a resolution passed by an absolute majority of the shares represented at the general meeting of shareholders is required. In the case of subscription and increase against contributions in kind or to fund acquisitions in kind, when shareholders’ statutory pre-emptive subscription rights or advance subscription rights are limited or withdrawn or where transformation of freely disposable equity into share capital is involved, a resolution passed by two-thirds of the shares represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented is required.

Furthermore, under the Swiss Code of Obligations (Code des obligations) (the “Code of Obligations”), our shareholders, by a resolution passed by two-thirds of the shares represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented, may empower our board of directors to issue shares of a specific aggregate par value up to a maximum of 50% of the share capital in the form of:

- conditional share capital (capital-actions conditionnel) for the purpose of issuing shares in connection with, among other things, (i) option and conversion rights granted in connection with warrants and convertible bonds of the Company or one of our subsidiaries or (ii) grants of rights to employees, members of our board of directors or consultants or to our subsidiaries or other persons providing services to the Company or a subsidiary to subscribe for new shares (conversion or option rights); or
- authorized share capital (capital-actions autorisé) to be utilized by the board of directors within a period determined by the shareholders but not exceeding two years from the date of the shareholder approval.

Pre-emptive and Advance Subscription Rights

Pursuant to the Code of Obligations, shareholders have pre-emptive subscription rights (droits de souscription préférentiels) to subscribe for new issuances of shares. With respect to conditional capital in connection with the issuance of conversion rights, convertible bonds or similar debt instruments, shareholders have advance subscription rights (droit de souscrire préalablement) for the subscription of such conversion rights, convertible bonds or similar debt instruments.

A resolution passed at a general meeting of shareholders by two-thirds of the shares represented and the absolute majority of the par value of the shares represented may authorize our board of directors to withdraw or limit pre-emptive subscription rights or advance subscription rights in certain circumstances.

If pre-emptive subscription rights are granted, but not exercised, the board of directors may allocate the unexercised pre-emptive subscription rights at its discretion.

Our Authorized Share Capital

Under our articles of association, our board of directors is authorized at any time, including to prevent takeovers and changes in control, until June 27, 2023 at the latest to increase our nominal share capital by a maximum aggregate amount of CHF 1,450,000 through the issuance of not more than 29,000,000 shares, which would have to be fully paid-in, each with a par value of CHF 0.05 per share.
Increases in partial amounts are permitted. The board of directors has the power to determine the date of issue, the conditions for the exercise of pre-emptive subscription rights, the type of contributions, the issue price and the date on which the dividend entitlement starts.

With respect to our authorized share capital, the board of directors is authorized by our articles of association to withdraw or to limit the pre-emptive subscription rights of shareholders, and to allocate them to third parties or to us, in the event that the newly issued shares are issued under the following circumstances:

- if the issue price of the new registered shares is determined by reference to the market price;
- for raising of capital (including private placements) in a fast and flexible manner, which would not be possible, or might only be possible with great difficulty or delays or at significantly less favorable conditions, without the exclusion of the statutory pre-emptive subscription rights of the existing shareholders;
- for the acquisition of an enterprise, parts of an enterprise or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of shares;
- for purposes of broadening the shareholder constituency of the Company in certain geographic, financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new shares on domestic or foreign stock exchanges;
- for purposes of granting an over-allotment option or an option to purchase additional shares in a placement or sale of shares to the respective initial purchaser(s) or underwriter(s);
- for the participation of members of the board of directors or equivalent corporate body, members of the executive committee, employees, contractors, consultants or other persons performing services for the benefit of the Company or any of its group companies;
- following a shareholder or a group of shareholders acting in concert having accumulated shareholdings in excess of 15% of our share capital registered in the Commercial Register without having submitted to all other shareholders a takeover offer recommended by the board of directors;
- for the defense of an actual, threatened or potential takeover bid, that the board of directors, upon consultation with an independent financial adviser retained by it, has not recommended or will not recommend to the shareholders for acceptance on the basis that the board of directors has not found the takeover bid to be financially fair to the shareholders or not to be in the Company's interest; or
- for other valid grounds in the sense of Article 652b para. 2 of the Code of Obligations.

This authorization is exclusively linked to the particular available authorized share capital set out in the respective article. If the period to increase our share capital out of authorized share capital lapses without having been used by the board of directors, the authorization to withdraw or to limit the pre-emptive subscription rights lapses simultaneously with such capital.

If the underwriters exercise the option to purchase up to additional ordinary shares at the public offering price, such additional ordinary shares may be issued out of the above-described authorized share capital. Accordingly, upon the consummation of this offering, and assuming that such option will be exercised in full and the corresponding number of ordinary shares will be issued out of the above-described authorized share capital, we expect our authorized but unissued share capital to be CHF , authorizing the issuance of up to ordinary shares.
Our Conditional Share Capital

Conditional Share Capital for Financing, Acquisitions and Other Purposes

Our nominal share capital may be increased, including to prevent takeovers and changes in control, by a maximum aggregate amount of CHF 870,000 through the issuance of not more than 17,400,000 ordinary shares, which would have to be fully paid-in, each with a par value of CHF 0.05 per share, by the exercise of option and conversion rights granted in connection with warrants, convertible bonds or similar instruments of the Company or one of our subsidiaries. Shareholders will not have pre-emptive subscription rights in such circumstances, but will have advance subscription rights to subscribe for such warrants, convertible bonds or similar instruments. The holders of warrants, convertible bonds or similar instruments are entitled to the new shares upon the occurrence of the applicable conversion feature.

When issuing convertible bonds, warrants or similar instruments, the board of directors is authorized to withdraw or to limit the advance subscription right of shareholders:

- for the purpose of financing or refinancing, or the payment for, the acquisition of enterprises, parts of enterprises, participations, intellectual property rights, licenses or investments;
- if the issuance occurs in domestic or international capital markets, including private placements;
- following a shareholder or a group of shareholders acting in concert having accumulated shareholdings in excess of 15% of the share capital registered in the Commercial Register without having submitted to all other shareholders a takeover offer recommended by the board of directors; or
- for the defense of an actual, threatened or potential takeover bid that the board of directors, upon consultation with an independent financial adviser retained by it, has not recommended or will not recommend to the shareholders to accept on the basis that the board of directors has not found the takeover bid to be financially fair to the shareholders or not to be in the Company's interest.

To the extent that the advance subscription rights are withdrawn or limited, (i) the convertible bonds, warrants or similar instruments are to be issued at market conditions; (ii) the term to exercise the convertible bonds, warrants or similar instruments may not exceed ten years from the date of issue of the respective instrument and (iii) the conversion, exchange or exercise price of the convertible bonds, warrants or similar instruments has to be set with reference to or be subject to change based upon the valuation of the Company's equity or market conditions.

Conditional Share Capital for Employee Participation

Our nominal share capital may, to the exclusion of the pre-emptive subscription rights and advance subscription rights of shareholders, be increased by a maximum aggregate amount of CHF 580,000 through the (direct or indirect) issuance of not more than 11,600,000 ordinary shares, which would have to be fully paid-in, each with a par value of CHF 0.05 per share, by the exercise of options, other rights to receive shares or conversion rights that have been granted to employees, members of the board of directors or equivalent corporate body, contractors or consultants of the Company or of one of our subsidiaries or other persons providing services to the Company or to a subsidiary.

Uncertificated Securities

Our shares are in the form of uncertificated securities (droits-valeurs, within the meaning of Article 973c of the Code of Obligations). In accordance with Article 973c of the Code of Obligations, we will maintain a non-public
register of uncertificated securities (*registre des droits-valeurs*). We may at any time convert our shares from one form into another form (including uncertificated securities into registered uncertificated securities (*droits-valeurs inscrits*, within the meaning of Article 973d of the Code of Obligations), share certificates (or global certificates), one kind of certificate into another, or share certificates, global certificates or registered uncertificated securities into uncertificated securities. Following entry in the share register, a shareholder may at any time request from us a written confirmation in respect of his or her shares. Shareholders are not entitled, however, to request the conversion and/or printing and delivery of share certificates. We may print and deliver certificates for shares at any time.

**General Meeting of Shareholders**

**Ordinary/Extraordinary Meetings, Powers**

The general meeting of shareholders is our supreme corporate body. Under Swiss law, an annual general meeting of shareholders must be held annually within six months after the end of a corporation's financial year. In our case, this generally means on or before June 30. In addition, extraordinary general meetings of shareholders may be held.

The following powers are vested exclusively in the general meeting of shareholders:

- adopting and amending the articles of association, including the change of a company's purpose or domicile;
- electing the members of the board of directors, the chairman of the board of directors, the members of the compensation committee, the auditors and the independent proxy;
- approving the management report, the annual statutory and consolidated financial statements and deciding on the allocation of profits as shown on the balance sheet, in particular with regard to dividends;
- approving the aggregate amount of compensation of members of the board of directors and the executive committee;
- discharging the members of the board of directors and the executive committee from liability with respect to their conduct of business;
- dissolving a company with or without liquidation; and
- deciding matters reserved to the general meeting of shareholders by law or the articles of association or submitted to it by the board of directors.

An extraordinary general meeting of shareholders may be called by a resolution of the board of directors or the general meeting of shareholders or, under certain circumstances, by a company's auditor, liquidator or the representatives of bondholders, if any. In addition, the board of directors is required to convene an extraordinary general meeting of shareholders if shareholders representing at least 10% of our share capital request such general meeting of shareholders in writing. Such request must set forth the items to be discussed and the proposals to be acted upon. The board of directors must convene an extraordinary general meeting of shareholders and propose financial restructuring measures if, based on our stand-alone annual statutory balance sheet, half of our share capital and statutory reserves are not covered by our assets.

**Voting and Quorum Requirements**

Shareholder resolutions and elections (including elections of members of the board of directors) require the affirmative vote of the absolute majority of shares represented at the general meeting of shareholders, unless otherwise stipulated by law or our articles of association.
Under Swiss law and our articles of association, a resolution of the general meeting of the shareholders passed by two-thirds of the shares represented at the meeting and the absolute majority of the par value of the shares represented is required for:

- amending the Company's corporate purpose;
- creating shares with privileged voting rights;
- cancelling or amending the transfer restrictions of shares;
- creating authorized or conditional share capital;
- increasing share capital out of equity, against contributions in-kind or for the purpose of acquiring specific assets and granting specific benefits;
- limiting or withdrawing shareholders' pre-emptive subscription rights;
- changing a company's domicile;
- amending or repealing certain of the authorizations of the board of directors to place shares with affiliates or third parties without existing shareholders having statutory pre-emptive rights, or amending or repealing the voting and recording restrictions, the provision setting a maximum board size or the indemnification provision for the board of directors and the executive committee set forth in our articles of association;
- converting registered shares into bearer shares;
- removing the chairman or any member of the board of directors before the end of his or her term of office; and
- dissolving or liquidating the Company.

The same voting requirements apply to resolutions regarding transactions among corporations based on Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets of 2003, as amended (the “Swiss Merger Act”). See “—Articles of Association—Compulsory Acquisitions; Appraisal Rights.”

In accordance with Swiss law and generally accepted business practices, our articles of association do not provide quorum requirements generally applicable to general meetings of shareholders. To this extent, our practice varies from Nasdaq listing standards, which require an issuer to provide in its bylaws for a generally applicable quorum and that such quorum may not be less than one-third of the outstanding voting shares.

Notice

General meetings of shareholders must be convened by the board of directors at least 20 days before the date of the meeting. The general meeting of shareholders is convened by way of a notice appearing in our official publication medium, currently the Swiss Official Gazette of Commerce. Registered shareholders may also be informed by ordinary mail or e-mail. The notice of a general meeting of shareholders must state the items on the agenda, the motions to the shareholders and, in case of elections, the names of the nominated candidates. A resolution on a matter which is not on the agenda may not be passed at a general meeting of shareholders, except for motions to convene an extraordinary general meeting of shareholders or to initiate a special investigation, on which the general meeting of shareholders may vote at any time. No previous notification is required for motions concerning items included in the agenda or for debates that do not result in a vote.

All of the owners or representatives of our shares may, if no objection is raised, hold a general meeting of shareholders without complying with the formal requirements for convening general meetings of shareholders.
Table of Contents

(a universal meeting). This universal meeting of shareholders may discuss and pass binding resolutions on all matters within the purview of the general meeting of shareholders, provided that the owners or representatives of all the shares are present at the meeting.

Agenda Requests

Pursuant to Swiss law and our articles of association, one or more shareholders whose combined shareholdings represent the lesser of (i) one tenth of our share capital and (ii) an aggregate par value of at least CHF 1,000,000 may request that an item be included in the agenda for a general meeting of shareholders. To be timely, the shareholder’s request must be received by us generally at least 45 calendar days in advance of the meeting. The request must be made in writing and contain, for each of the agenda items, the following information:

• a brief description of the business desired to be brought before the general meeting of shareholders and the reasons for conducting such business at the general meeting of shareholders;
• the motions regarding the agenda item;
• the name and address, as they appear in the share register, of the shareholder proposing such business;
• the number of shares which are beneficially owned by such shareholder (including documentary support of such beneficial ownership);
• the dates upon which the shareholder acquired such shares;
• any material interest of the proposing shareholder in the proposed business;
• a statement in support of the matter; and
• all other information required under the applicable laws and stock exchange rules.

In addition, if the shareholder intends to solicit proxies from the shareholders of a company, such shareholder shall notify the company of this intent in accordance with SEC Rule 14a-4 and/or Rule 14a-8.

Our business report, the compensation report and the auditor’s report must be made available for inspection by the shareholders at our registered office no later than 20 days prior to the general meeting of shareholders. Shareholders of record may be notified of this in writing.

Voting Rights

Each of our ordinary shares entitles a holder to one vote. The ordinary shares are not divisible. The right to vote and the other rights of share ownership may only be exercised by shareholders (including any nominees) or usufructuaries who are entered in the share register at a cut-off date determined by the board of directors. Those entitled to vote in the general meeting of shareholders may be represented by the independent proxy holder (annually elected by the general meeting of shareholders), by its legal representative or by another registered shareholder with written authorization to act as proxy. The chairman has the power to decide whether to recognize a power of attorney.

Our articles of association contain provisions that prevent investors from acquiring and exercising voting rights exceeding 15% of our issued share capital. Specifically, if an individual or legal entity acquires ordinary shares and, as a result, directly or indirectly, has voting rights with respect to more than 15% of the registered share capital recorded in the Commercial Register, the registered shares exceeding the limit of 15% shall be entered in the share register as shares without voting rights (limitation à l’inscription). This restriction applies equally to
parties acting in concert and to shares held or acquired via a nominee, including via Cede & Co., New York (or any successor), as the nominee of The Depository Trust Company (“DTC”), New York, acting in its capacity as clearing nominee. Specifically, if shares are being held by a nominee for third-party beneficiaries, which control (alone or together with third parties) voting rights with respect to more than 15% of the share capital recorded in the Commercial Register, our articles of association provide that the board of directors may cancel the registration of the shares with voting rights held by such nominee in excess of the limit of 15%. Our articles of association also contain provisions that allow the board of directors to make the registration with voting rights of shares held by a nominee subject to conditions, limitations and reporting requirements or to impose or adjust such conditions, limitations and requirements once registered.

Furthermore, our articles of association contain provisions that prevent shareholders and proxies from exercising voting rights attached to their own or represented ordinary shares that would collectively exceed 15% the share capital recorded in the commercial register. This restriction applies equally to parties acting in concert and to shares held or acquired via a nominee, as described above, but not to the independent proxy acting as proxy on behalf of shareholders.

Notwithstanding the above, any shareholders holding more than 15% prior to the filing and effectiveness of our amended and restated articles of association will remain registered with voting rights for such shares and will be able to exercise their voting rights in full. Furthermore, the board of directors may in special cases approve exceptions to these restrictions.

Dividends and Other Distributions

Our board of directors may propose to shareholders that a dividend or other distribution be paid but cannot itself authorize the distribution. Dividend payments require a resolution passed by an absolute majority of the shares represented at a general meeting of shareholders. In addition, our auditors must confirm that the dividend proposal of our board of directors conforms to Swiss statutory law and our articles of association.

Under Swiss law, we may pay dividends only if we have sufficient distributable profits from the previous business year (bénéfice de l’exercice), or brought forward from the previous business years (report des bénéfices) or if we have distributable reserves (réserves à libre disposition), each as evidenced by the Company’s audited stand-alone statutory balance sheet prepared pursuant to Swiss law and after allocations to reserves required by Swiss law and by the articles of association have been deducted. We are not permitted to pay interim dividends out of profit of the current business year.

Distributable reserves are generally booked either as “free reserves” (réserves libres) or as “reserve from capital contributions” (apports de capital). Under the Code of Obligations, if our general reserves (réserve générale) amount to less than 20% of our share capital recorded in the Commercial Register (i.e., 20% of the aggregate par value of our issued capital), then at least 5% of our annual profit must be retained as general reserves. In addition, if our general reserves amount to less than 50% of our share capital recorded in the Commercial Register, 10% of the amounts distributed beyond payment of a dividend of 5% must be retained as general reserves. The Code of Obligations permits us to accrue additional general reserves. Further, a purchase of our own shares (whether by us or a subsidiary) reduces the distributable reserves in an amount corresponding to the purchase price of such own shares. Finally, the Code of Obligations under certain circumstances requires the creation of revaluation reserves, which are not distributable.

Distributions out of issued share capital (i.e., the aggregate par value of our issued shares) are not allowed and may be made only by way of a share capital reduction. Such a capital reduction requires a resolution passed by an absolute majority of the shares represented at a general meeting of shareholders. The resolution of the shareholders must be recorded in a public deed and a special audit report must confirm that claims of our shareholders.
creditors remain fully covered despite the reduction in our share capital recorded in the Commercial Register. Our share capital may be reduced below CHF 100,000 only if and to the extent that at the same time the statutory minimum share capital of CHF 100,000 is reestablished by sufficient new, fully paid-up capital. Upon approval by the general meeting of shareholders of the capital reduction, the board of directors must give public notice of the capital reduction resolution in the Swiss Official Gazette of Commerce three times and notify creditors that they may request, within two months of the third publication, satisfaction of or security for their claims. The reduction of our share capital may be implemented only after expiration of this time limit.

Our board of directors determines the date on which the dividend entitlement starts. Dividends are usually due and payable shortly after the shareholders have passed the resolution approving the payment, but shareholders may also resolve at the annual general meeting of shareholders to pay dividends in quarterly or other installments.

For a discussion of the taxation of dividends, see “Taxation—Swiss Tax Considerations—Swiss Federal, Cantonal and Communal Individual Income Taxes.”

**Transfer of Shares**

Shares in uncertificated form (droits-valeurs) may only be transferred by way of assignment. Shares or the beneficial interest in shares, as applicable, credited in a securities account may only be transferred when a credit of the relevant intermediated securities to the acquirer’s securities account is made in accordance with applicable rules. Our articles of association provide that in the case of securities held with an intermediary such as a registrar, transfer agent, trust corporation, bank or similar entity, any transfer, grant of a security interest or usufructuary right in such intermediated securities and the appurtenant rights associated therewith requires the cooperation of the intermediary in order for such transfer, grant of a security interest or usufructuary right to be valid against us.

Voting rights may be exercised only after a shareholder has been entered in the share register (registre des actions) with his or her name and address (in the case of legal entities, the registered office) as a shareholder with voting rights. For a discussion of the restrictions applicable to the control and exercise of voting rights, see “Description of Share Capital and Articles of Association—Articles of Association—Voting Rights.”

**Inspection of Books and Records**

Under the Code of Obligations, a shareholder has a right to inspect the share register with respect to his or her own shares and otherwise to the extent necessary to exercise his or her shareholder rights. No other person has a right to inspect the share register. Our books and correspondence may be inspected with the express authorization of the general meeting of shareholders or by resolution of the board of directors and subject to the safeguarding of our business secrets and other legitimate interests. See “Comparison of Swiss Law and Delaware Law—Inspection of books and records.”

**Special Investigation**

If the shareholders’ inspection rights as outlined above prove to be insufficient in the judgment of the shareholder, any shareholder may propose to the general meeting of shareholders that specific facts be examined by a special examiner in a special investigation. If the general meeting of shareholders approves the proposal, we or any shareholder may, within 30 calendar days after the general meeting of shareholders, request a court at our registered office (currently Saint-Sulpice, Canton of Vaud, Switzerland) to appoint a special examiner. If the general meeting of shareholders rejects the request, one or more shareholders representing at least 10% of our share capital or holders of shares in an aggregate par value of at least CHF 2,000,000 may request that the court...
appoint a special examiner. The court will issue such an order if the petitioners can demonstrate that the board of directors, any member of the board of directors or our executive committee infringed the law or our articles of association and thereby caused damages to the Company or the shareholders. The costs of the investigation would generally be allocated to us and only in exceptional cases to the petitioners.

Compulsory Acquisitions; Appraisal Rights

Business combinations and other transactions that are governed by the Swiss Merger Act (i.e., mergers, demergers, transformations and certain asset transfers) are binding on all shareholders. A statutory merger or demerger requires approval of two-thirds of the shares represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented.

If a transaction under the Swiss Merger Act receives all of the necessary consents, all shareholders are compelled to participate in such transaction.

Swiss corporations may be acquired by an acquirer through the direct acquisition of the shares of the Swiss corporation. The Swiss Merger Act provides for the possibility of a so-called “cash-out” or “squeeze-out” merger with the approval of holders of 90% of the issued shares. In these limited circumstances, minority shareholders of the corporation being acquired may be compensated in a form other than through shares of the acquiring corporation (for instance, through cash or securities of a parent corporation of the acquiring corporation or of another corporation). For business combinations effected in the form of a statutory merger or demerger and subject to Swiss law, the Swiss Merger Act provides that if equity rights have not been adequately preserved or compensation payments in the transaction are unreasonable, a shareholder may request the competent court to determine a reasonable amount of compensation.

In addition, under Swiss law, the sale of “all or substantially all of our assets” by us may require the approval of two-thirds of the number of shares represented at a general meeting of shareholders and the absolute majority of the par value of the shares represented. Whether a shareholder resolution is required depends on the particular transaction, including whether the following test is satisfied:

- a core part of our business is sold, without which it is economically impracticable or unreasonable to continue to operate the remaining business;
- our assets, after the divestment, are not invested in accordance with our corporate purpose as set forth in the articles of association; and
- the proceeds of the divestment are not earmarked for reinvestment in accordance with our corporate purpose but, instead, are intended for distribution to our shareholders or for financial investments unrelated to our corporate purpose.

A shareholder of a Swiss corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights. As a result, such shareholder may, in addition to the consideration (be it in shares or in cash) receive an additional amount to ensure that the shareholder receives the fair value of the shares held by the shareholder. Following a statutory merger or demerger, pursuant to the Swiss Merger Act, shareholders can file an appraisal action against the surviving company. If the consideration is deemed inadequate, the court will determine an adequate compensation payment.

Board of Directors

Our articles of association provide that the board of directors shall consist of at least three and not more than seven members.
The members of the board of directors and the chairman are elected annually by the general meeting of shareholders for a period until the completion of the subsequent annual general meeting of shareholders and are eligible for re-election. Each member of the board of directors must be elected individually.

**Powers**

The board of directors has the following non-delegable and inalienable powers and duties:

- the ultimate direction of the business of the Company and issuing of the relevant directives;
- laying down the organization of the Company;
- formulating accounting procedures, financial controls and financial planning;
- nominating and removing persons entrusted with the management and representation of the Company and regulating the power to sign for the Company;
- the ultimate supervision of those persons entrusted with management of the Company, with particular regard to adherence to law, our articles of association and regulations and directives of the Company;
- issuing the business report and the compensation report, and preparing for the general meeting of shareholders and carrying out its resolutions; and
- informing the court in case of over-indebtedness.

The board of directors may, while retaining such non-delegable and inalienable powers and duties, delegate some of its powers, in particular direct management, to a single or to several of its members, committees or to third parties (such as executive officers) who need be neither members of the board of directors nor shareholders. Pursuant to Swiss law and our articles of association, details of the delegation and other procedural rules such as quorum requirements have been set in the organizational rules established by the board of directors.

**Indemnification of Executive Officers and Directors**

Subject to Swiss law, our articles of association provide for indemnification of the existing and former members of the board of directors and the executive committee and their heirs, executors and administrators against liabilities arising in connection with the performance of their duties in such capacity, and permit us to advance the expenses of defending any act, suit or proceeding to our directors and executive officers to the extent not included in insurance coverage or advanced by third parties.

In addition, under general principles of Swiss employment law, an employer may be required to indemnify an employee against losses and expenses incurred by such employee in the proper execution of his or her duties under the employment agreement with the employer. See “Comparison of Swiss Law and Delaware Law—Indemnification of directors and executive officers and limitation of liability.” We have entered into indemnification agreements with each of the members of our board of directors and executive officers. See “Related Party Transactions—Indemnification Agreements.”

**Conflict of Interest, Management Transactions**

Swiss law does not have a general provision regarding conflicts of interest. However, the Code of Obligations contains a provision that requires our directors and executive officers to safeguard the Company's interests and imposes a duty of loyalty and duty of care on our directors and executive officers. This rule is generally understood.
to disqualify directors and executive officers from participation in decisions that directly affect them. Our directors and executive officers are personally liable to us for breaches of these obligations. In addition, Swiss law contains provisions under which directors and all persons engaged in the Company's management are liable to the Company, each shareholder and the Company's creditors for damages caused by an intentional or negligent violation of their duties. Furthermore, Swiss law contains a provision under which payments made to any of the Company's shareholders or directors or any person related to any such shareholder or director, other than payments made at arm's length, must be repaid to the Company if such shareholder or director acted in bad faith.

Our board of directors has adopted a Code of Ethics and other policies that cover a broad range of matters, including the handling of conflicts of interest.

Principles of the Compensation of the Board of Directors and the Executive Committee

Pursuant to Swiss law, beginning at our first annual general meeting as a public company in 2022, our shareholders must annually approve the aggregate amount of compensation of the board of directors and the persons whom the board of directors has, fully or partially, entrusted with the management (which we refer to as our “executive committee”) of the Company. All of our executive officers named in “Management” are deemed to be members of our executive committee.

The board of directors must issue, on an annual basis, a written compensation report that must be reviewed by our auditors. The compensation report must disclose all compensation granted by the Company, directly or indirectly, to current members of the board of directors and the executive committee and, to the extent related to their former role within the Company or not on customary market terms, to former members of the board of directors and former executive officers.

The disclosure concerning compensation, loans and other forms of indebtedness must include the aggregate amount for the board of directors and the executive committee, respectively, as well as the particular amount for each member of the board of directors and for the highest-paid executive officer, specifying the name and function of each of these persons.

We are prohibited from granting certain forms of compensation to members of our board of directors and executive committee, such as:

- severance payments (compensation due until the termination of a contractual relationship does not qualify as severance payment);
- advance compensation;
- incentive fees for the acquisition or transfer of companies, or parts thereof, by the Company or by companies being directly or indirectly controlled by us;
- loans, other forms of indebtedness, pension benefits not based on occupational pension schemes and performance-based compensation not provided for in the articles of association; and
- equity-based compensation not provided for in the articles of association.

Compensation to members of the board of directors and the executive committee for activities in entities that are directly or indirectly controlled by the Company is prohibited if (i) the compensation would be prohibited if it were paid directly by the Company, (ii) the articles of association do not provide for it, or (iii) the compensation has not been approved by the general meeting of shareholders.
Beginning in 2022, the general meeting of shareholders will annually vote on the proposals of the board of directors with respect to:

- the maximum aggregate amount of compensation of the board of directors for the term of office until the next annual general meeting of shareholders;
- the maximum aggregate amount of fixed compensation of the executive committee for the following financial year; and
- the maximum aggregate amount of variable compensation of the executive committee for the current financial year.

The board of directors may submit for approval at the general meeting of shareholders deviating or additional proposals relating to the same or different periods.

If, at the general meeting of shareholders, the shareholders do not approve a compensation proposal of the board of directors, the board of directors must prepare a new proposal, taking into account all relevant factors, and submit the new proposal for approval by the same general meeting of shareholders at a subsequent extraordinary general meeting of shareholders or the next annual general meeting of shareholders.

In addition to fixed compensation, members of the board of directors and the executive committee may be paid variable compensation depending on the achievement of certain performance criteria. The performance criteria may include individual targets, targets of the Company or parts thereof and targets in relation to the market, other companies or comparable benchmarks, taking into account the position and level of responsibility of the recipient of the variable compensation. The board of directors or, where delegated to it, the compensation committee shall determine the relative weight of the performance criteria and the respective target values.

Compensation may be paid or granted in the form of cash, shares, financial instruments, in kind, or in the form of other types of benefits. The board of directors or, where delegated to it, the compensation committee shall determine grant, vesting, exercise, restriction and forfeiture conditions.

**Borrowing Powers**

Neither Swiss law nor our articles of association restrict our power to borrow and raise funds. The decision to borrow funds is made by or under the direction of our board of directors and no approval by the shareholders is required in relation to any such borrowing.

**Repurchases of Shares and Purchases of Own Shares**

The Code of Obligations limits our ability to repurchase and hold our own shares. We and our subsidiaries may repurchase shares only to the extent that (i) we have freely distributable reserves in the amount of the purchase price and (ii) the aggregate par value of all shares held by us does not exceed 10% of our share capital. Pursuant to Swiss law, where shares are acquired in connection with a transfer restriction set out in the articles of association, the foregoing upper limit is 20%. If we own shares that exceed the threshold of 10% of our share capital, the excess must be sold or cancelled by means of a capital reduction within two years.

Shares held by us or our subsidiaries are not entitled to vote at the general meeting of shareholders but are entitled to the economic benefits applicable to the shares generally, including dividends and pre-emptive subscription rights in the case of share capital increases.

In addition, selective share repurchases are only permitted under certain circumstances. Within these limitations, as is customary for Swiss corporations, we may, subject to applicable law, purchase and sell our own shares from time to time in order to meet imbalances of supply and demand, to provide liquidity and to even-out variances in the market price of shares.
Notification and Disclosure of Substantial Share Interests

The disclosure obligations generally applicable to shareholders of Swiss corporations under the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading, or the Financial Market Infrastructure Act (the “FMIA”), do not apply to us since our shares are not listed on a Swiss exchange.

Pursuant to Article 663c of the Code of Obligations, Swiss corporations whose shares are listed on a stock exchange must disclose their significant shareholders and their shareholdings in the notes to their statutory annual financial statements, to the extent that this information is known or ought to be known. Significant shareholders are defined as shareholders and groups of shareholders linked through voting rights who hold more than 5% of all voting rights.

Mandatory Bid Rules

The obligation of any person or group of persons that acquires more than one third of a company’s voting rights to submit a cash offer for all the outstanding listed equity securities of the relevant company at a minimum price pursuant to the FMIA does not apply to us since our shares are not listed on a Swiss exchange.

Stock Exchange Listing

We have applied to list our ordinary shares on Nasdaq under the symbol “SOPH.”

The Depository Trust Company

Initial settlement of the ordinary shares issued in this offering will take place on the consummation date of this offering through DTC, in accordance with its customary settlement procedures for equity securities. Each person owning a beneficial interest in ordinary shares held through DTC must rely on the procedures thereof and on institutions that have accounts therewith to exercise any rights of a holder of the shares.

Transfer Agent and Registrar of Shares

Our share register will initially be kept by Computershare Trust Company, N.A., which acts as transfer agent and registrar. The share register reflects only record owners of our shares. Swiss law does not recognize fractional share interests.
Comparison of Swiss law and Delaware law

The Swiss laws applicable to Swiss corporations and their shareholders differ from laws applicable to U.S. corporations and their shareholders. The following table summarizes significant differences in shareholder rights between the provisions of the Code of Obligations and the Swiss Ordinance against excessive compensation in listed stock corporations (Ordonnance contre les rémunérations abusives dans les sociétés anonymes cotées en bourse) (the “OAEC”) applicable to our Company and the Delaware General Corporation Law applicable to companies incorporated in Delaware and their shareholders. Please note that this is only a general summary of certain provisions applicable to companies in Delaware. Certain Delaware companies may be permitted to exclude certain of the provisions summarized below in their charter documents.

<table>
<thead>
<tr>
<th>DELAWARE CORPORATE LAW</th>
<th>SWISS CORPORATE LAW</th>
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<tr>
<td><strong>Mergers and similar arrangements</strong></td>
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<tr>
<td>Under the Delaware General Corporation Law, with certain exceptions, a merger, consolidation, sale, lease or transfer of all or substantially all of the assets of a corporation must be approved by the board of directors and a majority of the outstanding shares entitled to vote thereon. A shareholder of a Delaware corporation participating in certain major corporate transactions may, under certain circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive cash in the amount of the fair value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction. The Delaware General Corporation Law also provides that a parent corporation, by resolution of its board of directors, may merge with any subsidiary, of which it owns at least 90.0% of each class of capital stock without a vote by the shareholders of such subsidiary. Upon any such merger, dissenting shareholders of the subsidiary would have appraisal rights.</td>
<td>Under Swiss law, with certain exceptions, a merger or a demerger of the corporation or a sale of all or substantially all of the assets of a corporation must be approved by two-thirds of the voting rights represented at the respective general meeting of shareholders as well as the absolute majority of the par value of shares represented at such general meeting of shareholders. A shareholder of a Swiss corporation participating in a statutory merger or demerger pursuant to the Swiss Merger Act (Loi sur la fusion) can file a lawsuit against the surviving company. If the consideration is deemed “inadequate,” such shareholder may, in addition to the consideration (be it in shares or in cash) receive an additional amount to ensure that such shareholder receives the fair value of the shares held by such shareholder. Swiss law also provides that if the merger agreement provides only for a compensation payment, at least 90.0% of all members in the transferring legal entity, who are entitled to vote, shall approve the merger agreement.</td>
</tr>
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</table>

**Shareholders’ suits**

Class actions and derivative actions generally are available to shareholders of a Delaware corporation for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court has discretion to permit the winning party to recover attorneys’ fees incurred in connection with such action. Class actions and derivative actions as such are not available under Swiss law. Nevertheless, certain actions may have a similar effect. A shareholder is entitled to bring suit against directors, officers or liquidators for breach of their duties and claim the payment of the company’s losses or damages to the corporation and, in some cases, to the individual shareholder. Likewise, an appraisal lawsuit won by a shareholder may indirectly compensate all shareholders. In addition, to the extent that U.S. laws and regulations provide a basis for liability and U.S. courts have jurisdiction, a class action may be available.
<table>
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<tr>
<th>Delaware Corporate Law</th>
<th>Swiss Corporate Law</th>
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<tbody>
<tr>
<td>Under Swiss law, the winning party is generally entitled to recover a limited amount of attorneys’ fees incurred in connection with such action. The court has discretion to permit the shareholder who lost the lawsuit to recover attorneys’ fees incurred to the extent that he or she acted in good faith.</td>
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**Shareholder vote on board and management compensation**

Under the Delaware General Corporation Law, the board of directors has the authority to fix the compensation of directors, unless otherwise restricted by the certificate of incorporation or bylaws.

Pursuant to the OAEC, the general meeting of shareholders has the non-transferable right, amongst others, to vote separately and bindingly on the aggregate amount of compensation of the members of the board of directors, of the executive committee and of the advisory boards.

**Annual vote on board renewal**

Unless directors are elected by written consent in lieu of an annual meeting, directors are elected in an annual meeting of shareholders on a date and at a time designated by or in the manner provided in the bylaws. Re-election is possible.

Classified boards are permitted.

The general meeting of shareholders elects the members of the board of directors, the chairperson of the board of directors and the members of the compensation committee individually and annually for a term of office until the end of the following general meeting of shareholders. Re-election is possible.

**Indemnification of directors and executive officers and limitation of liability**

The Delaware General Corporation Law provides that a certificate of incorporation may contain a provision eliminating or limiting the personal liability of directors (but not other controlling persons) of the corporation for monetary damages for breach of a fiduciary duty as a director, except no provision in the certificate of incorporation may eliminate or limit the liability of a director for:

- any breach of a director’s duty of loyalty to the corporation or its shareholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- statutory liability for unlawful payment of dividends or unlawful share purchase or redemption; or
- any transaction from which the director derived an improper personal benefit.

A Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any proceeding, other than an action by or on behalf of

Under Swiss corporate law, an indemnification by the corporation of a director or member of the executive committee in relation to potential personal liability is not effective to the extent the director or member of the executive committee intentionally or negligently violated his or her corporate duties towards the corporation (certain views advocate that at least a grossly negligent violation is required to exclude the indemnification). Furthermore, the general meeting of shareholders may discharge (release) the directors and members of the executive committee from liability for their conduct to the extent the respective facts are known to shareholders. Such discharge is effective only with respect to claims of the company and of those shareholders who approved the discharge or who have since acquired their shares in full knowledge of the discharge. Most violations of corporate law are regarded as violations of duties towards the corporation rather than towards the shareholders. In addition, indemnification of other controlling persons is not permitted under Swiss corporate law, including shareholders of the corporation.
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<th>SWISS CORPORATE LAW</th>
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<tr>
<td>the corporation, because the person is or was a director or officer, against liability incurred in connection with the proceeding if the director or officer acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation; and the director or officer, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Unless ordered by a court, any foregoing indemnification is subject to a determination that the director or officer has met the applicable standard of conduct</td>
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<tr>
<td>• by a majority vote of the directors who are not parties to the proceeding, even though less than a quorum; • by a committee of directors designated by a majority vote of the eligible directors, even though less than a quorum; • by independent legal counsel in a written opinion if there are no eligible directors or if the eligible directors so direct; or • by the shareholders. Moreover, a Delaware corporation may not indemnify a director or officer in connection with any proceeding in which the director or officer has been adjudged to be liable to the corporation unless and only to the extent that the court determines that, despite the adjudication of liability but in view of all the circumstances of the case, the director or officer is fairly and reasonably entitled to indemnity for those expenses which the court deems proper.</td>
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### Directors' fiduciary duties

A director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components:

• the duty of care; and
• the duty of loyalty.

The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this

The board of directors of a Swiss corporation manages the business of the corporation, unless responsibility for such management has been duly delegated to the executive committee based on organizational rules. However, there are several non-transferable duties of the board of directors:

• the overall management of the corporation and the issuing of all necessary directives;
• determination of the corporation's organization;
The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties.

Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

**Shareholder action by written consent**

A Delaware corporation may, in its certificate of incorporation, eliminate the right of shareholders to act by written consent.

Shareholders of a Swiss corporation may only exercise their voting rights in a general meeting of shareholders and may not act by written consents. The articles of association must allow for (independent) proxies to be present at a general meeting of shareholders. The instruction of such (independent) proxies may occur in writing or electronically.
Shareholder proposals

A shareholder of a Delaware corporation has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

At any general meeting of shareholders any shareholder may put proposals to the meeting if the proposal is part of an agenda item. No resolution may be taken on proposals relating to the agenda items that were not duly notified. Unless the articles of association provide for a lower threshold or for additional shareholders’ rights:

- shareholders together representing at least 10% of the share capital may demand that a general meeting of shareholders be called for specific agenda items and specific proposals; and
- shareholders together representing shares with a par value of at least CHF 1.0 million or 10% of the share capital, whichever is lower, may demand that an agenda item including a specific proposal be put on the agenda for a scheduled general meeting of shareholders, provided such request is made with appropriate lead time.

Any shareholder can propose candidates for election as directors or make other proposals within the scope of an agenda item without prior written notice.

In addition, any shareholder is entitled, at a general meeting of shareholders and without advance notice, to (i) request information from the board of directors on the affairs of the company (note, however, that the right to obtain such information is limited), (ii) request information from the auditors on the methods and results of their audit, (iii) request that the general meeting of shareholders resolve to convene an extraordinary general meeting, or (iv) request that the general meeting of shareholders resolve to appoint an examiner to carry out a special examination (“contrôle spécial”).

Cumulative voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation’s certificate of incorporation provides for it.

Cumulative voting is not permitted under Swiss corporate law. Pursuant to Swiss law, shareholders can vote for each proposed candidate, but they are not allowed to cumulate their votes for single candidates. An annual individual election of (i) all members of the board of directors, (ii) the chairperson of the board of directors, (iii) the members of the compensation committee, (iv) the election of the independent proxy for a term of
### Delaware Corporate Law

<table>
<thead>
<tr>
<th><strong>Table of Contents</strong></th>
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<tbody>
<tr>
<td><strong>Removal of directors</strong></td>
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<tr>
<td>A Delaware corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.</td>
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| **Transactions with interested shareholders** |
| The Delaware General Corporation Law generally prohibits a Delaware corporation from engaging in certain business combinations with an “interested shareholder” for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15.0% or more of the corporation’s outstanding voting shares within the past three years. |

| **Dissolution; Winding-up** |
| Unless the board of directors of a Delaware corporation approves the proposal to dissolve, dissolution must be approved by shareholders holding 100.0% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation’s outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. |

| **Variation of rights of shares** |
| A Delaware corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. |

### Swiss Corporate Law

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<tr>
<td>A Swiss corporation may remove, with or without cause, any director at any time with a resolution passed by a majority of the shares represented at a general meeting of shareholders. The articles of association may require the approval by a supermajority of the shares represented at a meeting for the removal of a director.</td>
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</table>

| **Transactions with interested shareholders** |
| No such rule applies to a Swiss corporation. |

| **Dissolution; Winding-up** |
| A dissolution of a Swiss corporation requires the approval by two-thirds of the voting rights represented at the respective general meeting of shareholders as well as the absolute majority of the par value of shares represented at such general meeting of shareholders. The articles of association may increase the voting thresholds required for such a resolution. |

<p>| <strong>Variation of rights of shares</strong> |
| The general meeting of shareholders of a Swiss corporation may resolve that preference shares be issued or that existing shares be converted into preference shares with a resolution passed by a majority of the shares represented at the general meeting of shareholders. Where a company has |</p>
<table>
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<tr>
<td>Issued preference shares, further preference shares conferring preferential rights over the existing preference shares may be issued only with the consent of both a special meeting of the adversely affected holders of the existing preference shares and of a general meeting of all shareholders, unless otherwise provided in the articles of association.</td>
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<tr>
<td>Shares with preferential voting rights are not regarded as preference shares for these purposes.</td>
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**Amendment of governing documents**

A Delaware corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

The articles of association of a Swiss corporation may be amended with a resolution passed by a majority of the shares represented at a general meeting of shareholders, unless otherwise provided in the articles of association.

There are a number of resolutions, such as an amendment of the stated purpose of the corporation, the introduction of authorized and conditional capital and the introduction of shares with preferential voting rights that require the approval by two-thirds of the votes and an absolute majority of the par value of the shares represented at such general meeting of shareholders. The articles of association may increase these voting thresholds. The articles of association of a Swiss corporation may be amended with a resolution passed by a majority of the shares represented at a general meeting of shareholders, unless otherwise provided in the articles of association.

**Inspection of books and records**

Shareholders of a Delaware corporation, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose and to obtain copies of list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the books and records of such subsidiaries are available to the corporation.

Shareholders of a Swiss corporation may only inspect books and records if the general meeting of shareholders or the board of directors approved such inspection. The information may be refused where providing it would jeopardize the corporation's trade secrets or other interests warranting protection. A shareholder is only entitled to receive information to the extent required to exercise his or her rights as a shareholder, subject to the interests of the corporation. A shareholder’s right to inspect the share register is limited to the right to inspect his or her own entry in the share register.
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**Payment of dividends**

The board of directors may approve a dividend without shareholder approval. Subject to any restrictions contained in its certificate of incorporation, the board may declare and pay dividends upon the shares of its capital stock either:

- out of its surplus; or
- in case there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year.

Shareholder approval is required to authorize capital stock in excess of that provided in the charter. Directors may issue authorized shares without shareholder approval.

Dividend payments are subject to the approval of the general meeting of shareholders. The board of directors may propose to shareholders that a dividend shall be paid but cannot itself authorize the distribution.

Payments out of a corporation's share capital (in other words, the aggregate par value of the corporation's registered share capital) in the form of dividends are not allowed and may be made only by way of a share capital reduction. Dividends may be paid only from the profits of the previous business year or brought forward from previous business years or if the corporation has distributable reserves, each as evidenced by the corporation's audited stand-alone statutory balance sheet prepared pursuant to Swiss law and after allocations to reserves required by Swiss law and the articles of association have been deducted.

**Creation and issuance of new shares**

All creation of shares require the board of directors to adopt a resolution or resolutions, pursuant to authority expressly vested in the board of directors by the provisions of the company's certificate of incorporation.

All creation of shares require a shareholders’ resolution. The creation of authorized or contingent share capital requires at least two-thirds of the voting rights represented at the general meeting of shareholders and an absolute majority of the par value of shares represented at such meeting. The board of directors may issue shares out of the authorized share capital during a period of up to two years. Shares are created and issued out of contingent share capital through the exercise of options or of conversion rights that the board of director may grant in relation to, e.g., debt instruments or employees.

212
Ordinary shares eligible for future sale

Prior to this offering, there was no public market for our ordinary shares. Future sales of substantial amounts of our ordinary shares in the public market could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of ordinary shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our ordinary shares in the public market after such restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have ordinary shares outstanding (or ordinary shares if the underwriters exercise their option to purchase additional shares in full), assuming an initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus. All ordinary shares sold in this offering will be freely transferable without restriction or registration under the Securities Act, except for any ordinary shares purchased by one of our existing “affiliates,” as that term is defined in Rule 144 under the Securities Act. The remaining ordinary shares outstanding are “restricted securities” as defined in Rule 144. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 or 701 of the Securities Act. After the expiration of the contractual lock-up period described below, to the extent applicable, these ordinary shares may be sold in the public market only if registered or pursuant to an exemption under Rule 144 or 701, each of which is summarized below.

Rule 144
In general, a person who has beneficially owned our ordinary shares that are restricted securities for at least six months would be entitled to sell such securities, provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, the sale and (ii) we are subject to, and in compliance with certain of, the Exchange Act periodic reporting requirements for at least 90 days before the sale. If such person has beneficially owned such ordinary shares for at least one year, then the requirement in clause (ii) will not apply to the sale.

Persons who have beneficially owned our ordinary shares that are restricted securities for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of our ordinary shares then outstanding, which will equal approximately ordinary shares immediately after this offering, assuming no exercise of the underwriters’ option to purchase additional ordinary shares; or
- the average weekly trading volume of our ordinary shares on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale;

provided, in each case, that we are subject to, and in compliance with certain of, the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales must also comply with the manner of sale and notice provisions of Rule 144.

Rule 701
In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory share or option plan or other written agreement before the effective date of this offering is entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements or other restrictions contained in Rule 701.
The SEC has indicated that Rule 701 will apply to typical share options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described below, beginning 90 days after the date of this prospectus, may be sold by persons other than “affiliates,” as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by “affiliates” under Rule 144 without compliance with the one-year minimum holding period requirement.

**Equity Incentive Plan**

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all ordinary shares issued or issuable pursuant to the exercise of outstanding options and reserved for issuance under our share-based compensation plans. We expect to file the registration statement or statements, which will become effective immediately upon filing, upon or shortly after the date of this prospectus. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions and any applicable holding periods, any applicable lock-up agreements described below and Rule 144 limitations applicable to affiliates.

**Regulation S**

Regulation S provides generally that sales made in offshore transactions are not subject to the registration or prospectus-delivery requirements of the Securities Act.

**Lock-up Agreements**

All of our directors and executive officers and the holders of substantially all of our share capital have agreed, subject to limited exceptions, for a period of 180 days after the date of this prospectus, not to (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares (collectively with the ordinary shares, the “lock-up securities”), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC. J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC may waive the requirements of these lock-up agreements at any time in their sole discretion. See “Underwriting.”
Taxation

The following discussion is based on the tax laws, regulations and regulatory practices of Switzerland and the United States as in effect on the date hereof, which are subject to change (or subject to changes in interpretation), possibly with retroactive effect.

Current and prospective shareholders are advised to consult their own tax advisers in light of their particular circumstances as to the Swiss or U.S. tax laws, regulations and regulatory practices that could be relevant for them in connection with this offering, the acquiring, owning and selling or otherwise disposing of our ordinary shares (such shares for purposes of this “Taxation” section, “ordinary shares”) and receiving dividends and similar cash or in-kind distributions on our ordinary shares (including dividends on liquidation proceeds and share dividends) or distributions on our ordinary shares based upon a capital reduction or reserves paid out of capital contributions and the consequences thereof under the tax laws, regulations and regulatory practices of Switzerland or the United States.

Swiss Tax Considerations

The following summary does not purport to address all tax consequences of the acquisition, ownership and sale or other disposition of ordinary shares, and does not take into account the specific circumstances of any particular investor. This summary relates only to the position of persons who are the beneficial owners of the ordinary shares and may not apply to certain other classes of persons.

Swiss Federal Withholding Tax

Dividends and other cash or in-kind distributions (including scrip or stock dividends), if any, on ordinary shares made or paid by us out of reserves from capital contributions (réserves d'apports de capital) and distributions, if any, on ordinary shares made or paid by us based upon a reduction of nominal value of ordinary shares (réduction de la valeur nominale) and the purchase price for ordinary shares bought back, if any, by us for a capital reduction booked against reserves from capital contributions and nominal value of ordinary shares, are exempt from Swiss federal withholding tax. The proceeds from the offering of the ordinary shares (net of certain deductions) will qualify as reserves from capital contributions and as nominal value of the ordinary shares.

Dividends and other cash or in-kind distributions (including scrip or stock dividends), if any, on ordinary shares made or paid by us out of profit or reserves other than reserves from capital contributions and the purchase price for ordinary shares bought back, if any, by us for a capital reduction booked against reserves other than reserves from capital contributions, are subject to Swiss federal withholding tax at a rate of 35%. Any Swiss federal withholding tax must be withheld by us on the gross amount of the dividend or distribution or purchase price, as applicable, and be remitted to the Swiss Federal Tax Administration.

Capital gains realized on the sale of ordinary shares in the secondary market are not subject to Swiss federal withholding tax.

Refund of Withholding Tax on Taxable Distributions

The Swiss Federal Tax Administration or the relevant cantonal tax authority, as applicable, will refund or credit Swiss federal withholding tax on dividends or other cash or in-kind distributions (including scrip or stock dividends), if any, on ordinary shares made or paid by us, or the purchase price paid by us for ordinary shares bought back, if any, for a capital reduction, out of or against profit or reserves other than tax-exempt reserves.
from capital contributions in full to holders who are individuals resident in Switzerland and to holders, who hold the ordinary shares on which the dividends or other distributions have been paid, as part of a trade or business in Switzerland, and, who, in each case, *inter alia*, are the beneficial owners of the ordinary shares and duly report the dividend or distributions or the purchase price paid by us for ordinary shares bought back for a capital reduction in the income tax return or the financial statements, respectively, for the relevant tax period.

A holder who is a resident of the United States for purposes of the double taxation agreement between the United States and Switzerland (the “Treaty”) without taxable presence in Switzerland to which the ordinary shares are attributable or who is a qualified U.S. pension fund and who, in each case, is the beneficial owner of the ordinary shares and the dividend or distribution and who meets the conditions of the Treaty may apply for a full refund of the Swiss federal withholding tax in the case of qualified U.S. pension funds or in excess of the amount of the 15% treaty rate in all other cases. The claim for refund must be filed on Swiss Tax Form 82 (82C for corporations, 82I for individuals, 82E for other entities and 82R for regulated investment companies), which forms together with an instruction form may be obtained from any Swiss consulate general in the United States, the Swiss Federal Tax Administration at the address below or be downloaded from the Swiss Federal Tax Administration’s website. Four copies of the form must be duly completed and signed before a notary public of the United States, and three of them must be sent to the Swiss Federal Tax Administration (currently at Eigerstrasse 65, CH-3003, Bern, Switzerland). The form must be accompanied by suitable evidence of deduction of the Swiss federal withholding tax, such as certificates of deduction, bank vouchers or credit slips. The form must be filed no later than December 31 of the third year following the calendar year in which the dividend subject to the tax became payable.

Any other holder who is not resident in Switzerland and who does not hold the ordinary shares as part of a trade or business in Switzerland, may be entitled to a full or partial refund of the Swiss federal withholding tax deducted if the country in which the recipient resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland, the recipient is the beneficial owner of the ordinary shares and the dividend or distribution or the purchase price and the other conditions of the treaty are met. Refund forms are available on the Swiss Federal Tax Administration’s website.

**Swiss Federal Issue Stamp Tax**

We will be liable to Swiss federal issue stamp tax on the issuance *droit d'émission sur capital propre*) of the ordinary shares of 1% of the proceeds from the offering, net of certain deductions.

**Swiss Federal Securities Turnover Tax**

The delivery of ordinary shares to the initial purchasers of the ordinary shares against payment of the offer price will not be subject to Swiss securities turnover tax *droit de négociation*).

Any subsequent transactions in ordinary shares in the secondary markets are subject to Swiss federal securities turnover tax at a rate of 0.15% of the purchase price of the ordinary shares if a Swiss or Liechtenstein domestic bank or securities dealer (as defined in the Swiss Federal Stamp Tax Act) is a party or an intermediary to the transaction, and none of the exemptions provided for in the Swiss Federal Stamp Tax Act applies. Generally, half of the tax is charged to the one party to the transaction and the other half to the other party, subject to applicable statutory exemptions in respect of the one or the other party to the transaction and their respective halves of the tax. Secondary market dealings in ordinary shares where no domestic bank or securities dealer is a party or an intermediary to the transaction are not subject to Swiss federal securities turnover tax.
Swiss Federal, Cantonal and Communal Income Taxes

Ordinary Shares Held By Holders Resident Outside Of Switzerland and With No Trade or Business in Switzerland

Holders of ordinary shares who are not residents of Switzerland for tax purposes, and who during the taxable year have not held ordinary shares through a permanent establishment within Switzerland for tax purposes, are not subject to any Swiss federal, cantonal or communal income tax in respect of the receipt of dividends, or other distributions, if any, on ordinary shares, or gain realized on the sale or other disposition of ordinary shares.

For a discussion of the Swiss federal withholding tax treatment of dividends and distributions or capital gains on ordinary shares, see above “—Swiss Federal Withholding Tax.” For a discussion of the automatic exchange of information in tax matters, see below “—International Automatic Exchange of Information in Tax Matters” and for a discussion of the Swiss facilitation of the implementation of the FATCA, see below “—Swiss Facilitation of the Implementation of FATCA.”

Ordinary Shares Held By Swiss Resident Individuals as Private Investments

Dividends and other cash or in-kind distributions (including scrip or stock dividends), if any, on ordinary shares, to the extent made or paid by us out of reserves from capital contributions and distributions, if any, to the extent made or paid by us on ordinary shares based upon a capital reduction, and the purchase price of ordinary shares bought back for a capital reduction charged to reserves from capital contributions are exempt from Swiss federal, cantonal and communal income tax for holders of ordinary shares who are individuals resident in Switzerland for tax purposes and who hold the ordinary shares as private investments.

Conversely, any dividends and other cash or in-kind distributions (including scrip or stock dividends), if any, on ordinary shares to the extent made or paid by us out of profit and reserves other than reserves from capital contributions, and the purchase price for ordinary shares bought back, if any, by us for a capital reduction to the extent booked against reserves other than reserves from capital contributions, will be subject to Swiss federal, cantonal and communal taxable income for such holders.

A capital gain realized by a holder on the sale of ordinary shares (other than a sale to us in a share buy-back for capital reduction) held as private investments classifies as tax-exempt private capital gain and, vice versa, a capital loss as non-tax deductible private capital loss for purposes of Swiss federal, cantonal and communal income tax.

See below “—Ordinary shares held as assets of a Swiss business” for a summary of the taxation treatment of Swiss resident individuals who, for income tax purposes, are classified as “professional securities dealers.”

Ordinary Shares Held As Assets of a Swiss Business

For a corporate or an individual who holds the ordinary shares as part of a trade or business carried on in Switzerland, any dividends and any other distributions, if any, made or paid by us on ordinary shares, and any capital gain or loss realized on the sale of ordinary shares, are includible in, or deductible from, respectively, the taxable income in the relevant taxation period for purposes of Swiss federal, cantonal and communal individual or corporate income tax. This taxation treatment also applies to Swiss resident private individuals who, for income tax purposes, are classified as “professional securities dealers.”

Corporate taxpayers will be eligible for dividend relief (réduction pour participations) in respect of dividends and distributions, if any, on ordinary shares if either the market value of the ordinary shares held by them equals or exceeds CHF 1.0 million or the ordinary shares represent 10% or more of our share capital.
International Automatic Exchange of Information in Tax Matters

Switzerland has concluded a multilateral agreement with the EU on the international automatic exchange of information (“AEOI”) in tax matters, which applies to all EU member states. In addition, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information (the “MCAA”) and a number of bilateral AEOI agreements with other countries, most of them on the basis of the MCAA. Based on these agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits (including ordinary shares held in such accounts or deposits) with a paying agent in Switzerland for the benefit of individuals resident in an EU member state or in another treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are in effect, or signed but not yet in effect, can be found on the website of the State Secretariat for International Financial Matters SIF.

Swiss Facilitation of the Implementation of FATCA

The United States and Switzerland entered into an intergovernmental agreement (the “U.S.-Switzerland IGA”) to facilitate the implementation of FATCA. Under the U.S.-Switzerland IGA, financial institutions acting out of Switzerland generally are directed to become participating foreign financial institutions. The U.S.-Switzerland IGA ensures that accounts held by U.S. persons with Swiss financial institutions (including accounts in which ordinary shares are held) are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance, on the basis of the Treaty. The Treaty, as amended in 2019, includes a mechanism for the exchange of information in tax matters upon request between Switzerland and the United States, which is in line with international standards, and allows the United States to make group requests under FATCA concerning non-consenting U.S. accounts and non-participating foreign financial institutions for periods from June 30, 2014. Furthermore, the Swiss Federal Council approved a mandate for negotiations with the United States on October 8, 2014, with regard to a change from the current direct-notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. It is not yet known when negotiations will continue and if and when any new regime would come into force.


In the opinion of Davis Polk & Wardwell LLP, the following is a description of the material U.S. federal income tax consequences to the U.S. Holders, as defined below, of owning and disposing our ordinary shares. It does not describe all tax consequences that may be relevant to a particular person’s decision to acquire ordinary shares.

This discussion applies only to a U.S. Holder that holds ordinary shares as capital assets for U.S. federal income tax purposes within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, it does not describe any tax consequences other than U.S. federal income tax consequences, including state and local tax consequences and estate or gift tax consequences, and does not describe all of the U.S. federal income tax consequences that may be relevant in light of the U.S. Holder’s particular circumstances, including alternative minimum tax consequences, the special tax accounting rules under Section 451(b) of the Code, the potential application of the Medicare contribution tax on net investment income, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities who use a mark-to-market method of tax accounting;
• persons holding ordinary shares as part of a straddle, wash sale, conversion transaction or other integrated transaction or persons entering into a constructive sale with respect to the ordinary shares;

• persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;

• entities or arrangements classified as partnerships or S corporations for U.S. federal income tax purposes and investors in such entities;

• tax-exempt entities, including an “individual retirement account” or “Roth IRA” or governmental entities;

• real estate investment trusts or regulated investment companies;

• former U.S. citizens or long-term residents of the United States;

• persons that own or are deemed to own 10% or more of the voting power or value of our shares; or

• persons holding ordinary shares in connection with a trade or business conducted outside of the United States or in connection with a permanent establishment or other fixed place of business outside of the United States.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding ordinary shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of the ordinary shares in their circumstances.

This discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the Treaty, all as of the date hereof, any of which is subject to change or differing interpretations, possibly with retroactive effect.

A “U.S. Holder” is a holder who, for U.S. federal income tax purposes, is a beneficial owner of ordinary shares, who is eligible for the benefits of the Treaty and who is:

• an individual who is a citizen or resident of the United States;

• a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

• an estate or trust, the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ordinary shares in their particular circumstances.

Except where otherwise indicated, this discussion assumes that we are not, and will not become, PFIC, as described below.

**Taxation of Distributions**

As discussed above under “Dividend Policy,” we do not currently expect to make distributions on our ordinary shares. In the event that we do make distributions of cash or other property, distributions paid on ordinary shares, other than certain pro rata distributions of ordinary shares, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to
the discussion under “—Passive Foreign Investment Company” below, for so long as our ordinary shares are listed on the NYSE or we are eligible for benefits under the Treaty, dividends paid to certain non-corporate U.S. Holders will be eligible for taxation as “qualified dividend income” and therefore, subject to applicable holding period requirements, will be taxable at rates not in excess of the long-term capital gain rate applicable to such U.S. Holder.

The amount of a dividend will include any amounts withheld by us in respect of Swiss income taxes. The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder’s income on the date of the U.S. Holder’s receipt of the dividend. The amount of any dividend income paid in Swiss francs will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Subject to applicable limitations, some of which vary depending upon the U.S. Holder’s particular circumstances, Swiss income taxes withheld from dividends on ordinary shares (at a rate not exceeding the rate provided by the Treaty) may be creditable against the U.S. Holder’s U.S. federal income tax liability. The rules governing foreign tax credits are complex and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including any Swiss income tax, in computing their taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

**Sale or Other Disposition of Ordinary Shares**

Subject to the discussion below under “—Passive Foreign Investment Company,” gain or loss realized by a U.S. Holder on the sale or other disposition of ordinary shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder’s holding period for such ordinary shares was more than one year as of the date of the sale or other disposition. The amount of the gain or loss will equal the difference between the U.S. Holder’s tax basis in the ordinary shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. Long-term capital gain recognized by a non-corporate U.S. Holder is subject to U.S. federal income tax at rates lower than the rates applicable to ordinary income and short-term capital gains, while short-term capital gains are subject to U.S. federal income tax at the rates applicable to ordinary income. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to various limitations.

**Passive Foreign Investment Company**

Under the Code, we will be a PFIC for any taxable year in which, after the application of certain “look-through” rules with respect to subsidiaries, either (i) 75% or more of our gross income consists of “passive income,” or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, “passive income.” For purposes of the above calculations, we will be treated as if we hold our proportionate share of the assets of, and receive directly our proportionate share of the income of, any other corporation in which we directly or indirectly own at least 25%, by value, of the shares of such corporation. Passive income generally includes dividends, interest, rents, certain non-active royalties and capital gains. Based on our current operations, income, assets and certain estimates and projections, including as to the
relative values of our assets, including goodwill, which is based on the expected price of our ordinary shares, we do not expect to be a PFIC for our 2021 taxable year. However, there can be no assurance that the IRS will agree with our conclusion. In addition, whether we will be a PFIC in 2021 or any future year is uncertain because, among other things, (i) we will hold a substantial amount of cash following this offering, which is generally categorized as a passive asset and (ii) our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our ordinary shares, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for any taxable year. If we are a PFIC for any year during which a U.S. Holder holds ordinary shares, we would generally continue to be treated as a PFIC with respect to such holder for all succeeding years during which such holder holds ordinary shares, even if we ceased to meet the threshold requirements for PFIC status.

If we were a PFIC for any taxable year and any of our subsidiaries or other companies in which we owned or were treated as owning equity interests were also a PFIC (any such entity, a "Lower-tier PFIC"), a U.S. Holder would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if such holder held such shares directly, even though such holder will not have received the proceeds of those distributions or dispositions.

If we were a PFIC for any taxable year during which a U.S. Holder held any of our ordinary shares, such holder would generally be subject to adverse tax consequences. Generally, gain recognized upon a disposition (including, under certain circumstances, a pledge) of ordinary shares would be allocated ratably over a U.S. Holder’s holding period for the ordinary shares. The amounts allocated to the taxable year of disposition and to years before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distributions received on a U.S. Holder’s ordinary shares during a taxable year exceeded 125% of the average of the annual distributions on those shares during the preceding three years or such holder’s holding period, whichever was shorter, those distributions would be subject to taxation in the same manner as gain, described immediately above.

Alternatively, if we were a PFIC and if the ordinary shares were “regularly traded” on a “qualified exchange,” a U.S. Holder would be eligible to make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described above. The ordinary shares would be treated as “regularly traded” for the year of this offering if more than a de minimis quantity of the ordinary shares were traded on a qualified exchange on at least 1/6 of the days remaining in the quarter in which this offering occurs, and on at least 15 days during each remaining calendar quarter (the “15-Day Test”), and for years other than this year based on the 15-Day Test. The Nasdaq, on which the ordinary shares are expected to be listed, is a qualified exchange for this purpose. Once made, the election cannot be revoked without the consent of the IRS unless the shares cease to be marketable.

If a U.S. Holder makes the mark-to-market election, such holder will generally recognize as ordinary income any excess of the fair market value of such holder’s ordinary shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, such holder’s tax basis in their ordinary shares will be adjusted to reflect these income or loss amounts. Any gain recognized on the sale or other disposition of ordinary shares in a year when we are a PFIC...
will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). This election will not apply to any of our non-U.S. subsidiaries. Accordingly, a U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any Lower-tier PFICs notwithstanding a mark-to-market election for the ordinary shares.

In addition, if we were a PFIC for any taxable year in which we paid a dividend or for the prior taxable year, the preferential dividend rates discussed above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If a company that is a PFIC provides certain information to U.S. Holders, a U.S. Holder can then avoid certain adverse tax consequences described above by making a “qualified electing fund” election to be taxed currently on its proportionate share of the PFIC’s ordinary income and net capital gains. However, because we do not intend to prepare or provide the information necessary for a U.S. Holder to make a qualified electing fund election, such election will not be available to U.S. Holders.

If a U.S. Holder owns ordinary shares during any year in which we are a PFIC, such holder must generally file annual reports containing such information as the U.S. Treasury may require on IRS Form 8621 (or any successor form) with respect to us, generally with such holder’s federal income tax return for that year.

U.S. Holders should consult their tax advisers regarding whether we are a PFIC and the potential application of the PFIC rules.

**Information Returns**

If a U.S. Holder owns ordinary shares during any year in which we are a PFIC or in which we hold a direct or indirect equity interest in a Lower-tier PFIC, the U.S. Holder generally must file an annual report on IRS Form 8621 with respect to each such PFIC containing such information as the U.S. Treasury may require, generally with the U.S. Holder’s federal income tax return for the relevant year. A U.S. Holder’s failure to file the annual report will cause the statute of limitations for such U.S. Holder’s federal income tax return to remain open with respect to the items required to be included in such report until three years after the U.S. Holder files the annual report and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder’s entire federal income tax return will remain open during such period.

PROSPECTIVE U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE CONSEQUENCES OF OUR POTENTIAL PFIC STATUS ON AN INVESTMENT IN ORDINARY SHARES.

**Information Reporting and Backup Withholding**

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.
Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and, under proposed regulations, certain entities) may be required to report information relating to an interest in our ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by certain U.S. financial institutions). Such U.S. Holders who fail to timely furnish the required information may be subject to a penalty. Additionally, if a U.S. Holder does not file the required information, the statute of limitations with respect to tax returns of the U.S. Holder to which the information relates may not close until three years after such information is filed. U.S. Holders should consult their tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of the ordinary shares.
**Underwriting**

We are offering the ordinary shares described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, Cowen and Company, LLC and Credit Suisse Securities (USA) LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of ordinary shares listed next to its name in the following table:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Ordinary Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>J.P. Morgan Securities LLC</td>
<td></td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co. LLC</td>
<td></td>
</tr>
<tr>
<td>Cowen and Company, LLC</td>
<td></td>
</tr>
<tr>
<td>Credit Suisse Securities (USA) LLC</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

The underwriters are committed to purchase all the ordinary shares offered by us if they purchase any ordinary shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the ordinary shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. Any such dealers may resell ordinary shares to certain brokers or dealers at a discount of up to $ per share from the initial public offering price. After the initial offering of the ordinary shares to the public, if all of the ordinary shares are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any ordinary shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to additional ordinary shares from us to cover sales of ordinary shares by the underwriters which exceed the number of ordinary shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional ordinary shares. If any ordinary shares are purchased with this option to purchase additional ordinary shares, the underwriters will purchase ordinary shares in approximately the same proportion as shown in the table above. If any additional ordinary shares are purchased, the underwriters will offer the additional ordinary shares on the same terms as those on which the ordinary shares are being offered.

The underwriting fee is equal to the public offering price per ordinary share less the amount paid by the underwriters to us per ordinary share. The underwriting fee is $ per ordinary share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters’ option to purchase additional ordinary shares.

<table>
<thead>
<tr>
<th>Per Share</th>
<th>Without exercise of option to purchase additional ordinary shares</th>
<th>With full exercise of option to purchase additional ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

224
We estimate that the total expenses of this offering, excluding the underwriting discounts and commissions, will be approximately $\ldots$.

We have also agreed to reimburse the underwriters for certain of their expenses incurred in connection with, among others, the review and clearance by the Financial Industry Regulatory Authority, Inc. ("FINRA") in an amount of up to $\ldots$.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of ordinary shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the SEC a registration statement under the Securities Act relating to any shares or any securities convertible into or exercisable or exchangeable for any ordinary shares, or publicly disclose the intention to undertake any of the foregoing, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of any ordinary share or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise, in each case without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC for a period of 180 days after the date of this prospectus.

The restrictions on transfers or other dispositions by us described above do not apply to:

1. the ordinary shares to be sold in this offering;
2. the issuance of ordinary shares upon the exercise of an option or warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
3. the grant of any options to purchase ordinary shares, restricted shares or restricted units under an incentive compensation plan in effect or approved by our board of directors on the date of this prospectus and described in this prospectus;
4. our filing of any registration statement on Form S-8 or a successor form relating to the ordinary shares granted pursuant to or reserved for issuance under an incentive compensation plan described in this prospectus;
5. the offer or issuance of ordinary shares in connection with an acquisition, joint venture, commercial or collaborative relationship, or an acquisition or license by us of assets of another person or entity or pursuant to an employee benefit plan assumed by us in connection with any such acquisition, provided that (1) the aggregate number of shares issued does not exceed 5% of the total number of outstanding ordinary shares immediately following the closing of this offering and (2) the recipient of any such shares during the restricted period enters into a lock-up agreement; and
6. facilitating the establishment of a trading plan on behalf of one of our shareholders, officers or directors pursuant to Rule 10b5-1 under the Exchange Act for the transfer of ordinary shares, provided that such plan does not provide for the transfer of ordinary shares during the restricted period and no public announcement or filing under the Exchange Act is required of or will be voluntarily made by us regarding the establishment of such plan.

Our directors and executive officers, and substantially all of our shareholders (such persons, the "lock-up parties") have entered into lock-up agreements with the underwriters prior to the commencement of this offering...
offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the "restricted period"), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any lock-up securities, (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph do not apply to our directors, officers and securityholders with respect to:

(i) transfers or dispositions:
   (a) as a bona fide gift or gifts, or for bona fide estate planning purposes;
   (b) by will or intestacy;
   (c) to an immediate family member of the director, officer or securityholder, any trust for the direct or indirect benefit of the director, officer or security holder or an immediate family member of such director, officer or securityholder, or if the securityholder is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust;
   (d) to a corporation, partnership, limited liability company or other entity of which the director, officer or securityholder and the immediate family of such director, officer or securityholder are the legal and beneficial owner of all of the outstanding equity securities or similar interests;
   (e) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under (a) through (d) above;
   (f) if the securityholder is a corporation, partnership, limited liability company, trust or other business entity, (1) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the securityholder, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the securityholder or affiliates of the securityholder, or (2) as part of a distribution to members, partners (including limited partners) or shareholders of the securityholder;
   (g) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement or other court or regulatory agency order;
   (h) to us (1) from an employee upon death, disability or termination of employment, in each case, of such employee or (2) pursuant to contractual arrangements described in this prospectus;
(j) as part of a sale of securities that are acquired in this offering or that are acquired in open market transactions after the closing date for this offering;

(j) to us in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants or other rights to purchase ordinary shares (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights; or

(k) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors and made to all holders of our capital stock involving a change of control of our company;

provided that (1) in the case of any transfer or distribution pursuant to clause (a), (b), (c), (d), (e), (f) and (g), such transfer shall not involve a disposition for value and each donee, devisee, transferee or distributee shall execute and deliver a lock-up letter, (2) in the case of any transfer or distribution pursuant to clause (a), (c), (d), (e), (f) and (i), no filing by any party under the Exchange Act or other public announcement shall be required or shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 4 or Form 5 made after the expiration of the restricted period) and (3) in the case of any transfer or distribution pursuant to clause (b), (h), (i) and (j) it shall be a condition to such transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership in connection with such transfer or distribution shall be legally required during the restricted period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer;

(ii) the exercise of outstanding options, settle restricted stock units or other equity awards or exercise warrants pursuant to plans described in this prospectus; provided that any securities received upon such exercise, vesting or settlement shall be subject to the terms of the lock-up agreements;

(iii) the conversion of outstanding preferred shares, warrants to acquire preferred shares or convertible securities into ordinary shares or warrants to acquire ordinary shares; provided that any such ordinary shares or warrants received upon such conversion shall be subject to the terms of the lock-up agreement;

(iv) the establishment of trading plans pursuant to Rule 10b5-1 under the Exchange Act for the transfer of securities; provided that (1) such plans do not provide for the transfer of securities during the restricted period and (2) no filing by any party under the Exchange Act or other public announcement shall be required or made voluntarily in connection with such trading plan during the restricted period;

(v) the pledge or transfer of our ordinary shares pursuant to agreements governing indebtedness or commitments relating to indebtedness in effect on the date hereof (and any refinancing or replacement thereof, provided that the number of our ordinary shares pledged or transferred in connection therewith shall not exceed the amount of our ordinary shares subject to the agreement preceding such refinancing or restatement) and described in this prospectus and any transfer upon foreclosure, provided that it shall be a condition to such pledge or transfer that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership in connection with such pledge or transfer shall be legally required during the restricted period, such filing, report or announcement shall clearly indicate therein (including in the footnotes thereto) the nature and conditions of such transfer; and
(vi) the sale of securities acquired in or after this offering (other than issuer-directed ordinary shares purchased in the offering by our officers or directors).

With respect to (v) above, certain of our shareholders have granted a security interest in all or a portion of our shares beneficially owned by them pursuant to certain of their debt instruments, each of which may include default provisions. As of the date of this prospectus, to our knowledge, 1,039,160 of our ordinary shares are subject to a security interest, including 891,320 of our ordinary shares held by our Chief Executive Officer and 147,840 of our ordinary shares held by our Chief Scientific Officer.

J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part, at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, as amended.

We have applied to list our ordinary shares on Nasdaq under the symbol “SOPH.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling ordinary shares in the open market for the purpose of preventing or retarding a decline in the market price of the ordinary shares while this offering is in progress. These stabilizing transactions may include making short sales of ordinary shares, which involves the sale by the underwriters of a greater number of ordinary shares than they are required to purchase in this offering, and purchasing ordinary shares on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional ordinary shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional ordinary shares, in whole or in part, or by purchasing ordinary shares in the open market. In making this determination, the underwriters will consider, among other things, the price of ordinary shares available for purchase in the open market compared to the price at which the underwriters may purchase ordinary shares through the option to purchase additional ordinary shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ordinary shares in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase ordinary shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the ordinary shares, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase ordinary shares in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the ordinary shares or preventing or retarding a decline in the market price of the ordinary shares, and, as a result, the price of the ordinary shares may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on Nasdaq in the over-the-counter market or otherwise.

Furthermore, at our request, the underwriters have reserved up to 5% of the ordinary shares offered by this prospectus, for sale, at the initial public offering price, to our employees and to friends, professional contacts.
and family members of our employees and directors. If purchased by these persons, these shares will not be subject to a lock-up restriction, except in the case of shares purchased by any director or officer, which will be subject to a 180-day lock-up restriction described above. The sales will be made at our direction by Morgan Stanley & Co. LLC through a directed share program. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the directed share program. The number of ordinary shares available for sale to the general public will be reduced by the number of reserved ordinary shares sold to these individuals. Any reserved ordinary shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other ordinary shares offered by this prospectus.

Prior to this offering, there has been no public market for our ordinary shares. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded securities of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our ordinary shares, or that our ordinary shares will trade in the public market at or above the initial public offering price.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. Furthermore, certain of the underwriters and their affiliates have in the past and may in the future provide lending and other services to us. For example, affiliates of Credit Suisse Securities (USA) LLC entered into agreements with us in connection with COVID-19 relief measures, that involved government-sponsored programs and which have been repaid in full, as well as in connection with the Credit Facility. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of their customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this
prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in Canada

The ordinary shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ordinary shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the EEA (each a “Relevant State”), no ordinary shares have been offered or will be offered pursuant to this offering to the public in that Relevant State prior to the publication of a prospectus in relation to the ordinary shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of ordinary shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of ordinary shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, and each person who initially acquires any ordinary shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any ordinary shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ordinary shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor
have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ordinary shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer to the public” in relation to ordinary shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe for any ordinary shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Notice to Prospective Investors in the United Kingdom

No ordinary shares have been offered or will be offered pursuant to this offering to the public in the UK prior to the publication of a prospectus in relation to the ordinary shares which has been approved by the Financial Conduct Authority, except that the ordinary shares may be offered to the public in the UK at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of underwriters for any such offer; or

(c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”),

provided that no such offer of the ordinary shares shall require us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the ordinary shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe for any ordinary shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the UK, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Order and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”) or otherwise in circumstances which have not resulted and will not result in an offer to the public of the ordinary shares in the UK within the meaning of the Order.

Any person in the UK that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the UK, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Notice to Prospective Investors in Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the ordinary shares described herein. The ordinary shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the “FinSA”), except under an exemption from the prospectus requirements under the FinSA. The ordinary shares and will not be listed or admitted to trading on any trading
venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the ordinary shares constitutes a prospectus as such term is understood pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the initial public offering or the ordinary shares may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus pursuant to the FinSA.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the ordinary shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document has not been and will not be reviewed or approved by a Swiss reviewing body (Prüfstelle) pursuant to article 51 of the FinSA.

Notice to Prospective Investors in Australia

This prospectus:

• does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth), or the Corporations Act;
• has not been, and will not be, lodged with the Australian Securities and Investments Commission, or the ASIC, as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
• may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act (Exempt Investors).

The ordinary shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the ordinary shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any ordinary shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the ordinary shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of ordinary shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the ordinary shares you undertake to us that you will not, for a period of 12 months from the date of issue of the ordinary shares, offer, transfer, assign or otherwise alienate those ordinary shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to Prospective Investors in Japan

The ordinary shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the ordinary shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.
Notice to Prospective Investors in Hong Kong

The ordinary shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the ordinary shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ordinary shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Singapore

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any ordinary shares or caused the ordinary shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any ordinary shares or cause the ordinary shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ordinary shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ordinary shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ordinary shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 276(4)(i)(B) of the SFA;

233
(ii) where no consideration is or will be given for the transfer;
(iii) where the transfer is by operation of law;
(iv) as specified in Section 276(7) of the SFA; or
(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notice to Prospective Investors in China
This prospectus will not be circulated or distributed in the PRC and the ordinary shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Notice to Prospective Investors in Korea
The ordinary shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder, or the FSCMA, and the ordinary shares have been and will be offered in Korea as a private placement under the FSCMA. None of the ordinary shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder, or the FETL. The ordinary shares have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the ordinary shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the ordinary shares. By the purchase of the ordinary shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the ordinary shares pursuant to the applicable laws and regulations of Korea.

Notice to Prospective Investors in Taiwan
The ordinary shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the ordinary shares in Taiwan.

Notice to Prospective Investors in Saudi Arabia
This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority, or the CMA, pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended, or the CMA Regulations. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

234
Notice to Prospective Investors in the Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority, or the DFSA. This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre, or the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to Prospective Investors in the United Arab Emirates

The ordinary shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to Prospective Investors in Bermuda

Ordinary shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

Notice to Prospective Investors in the British Virgin Islands

The ordinary shares are not being and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The ordinary shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), (BVI Companies), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Notice to Prospective Investors in South Africa

Due to restrictions under the securities laws of South Africa, no “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted), or the South African Companies Act) is being made in connection with the issue of the ordinary shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a “registered prospectus” (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not
been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The ordinary shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

Section 96 (1)(a) the offer, transfer, sale, renunciation or delivery is to:

(i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;

(ii) the South African Public Investment Corporation;

(iii) persons or entities regulated by the Reserve Bank of South Africa;

(iv) authorized financial service providers under South African law;

(v) financial institutions recognized as such under South African law;

(vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or

(vii) any combination of the person in (i) to (vi); or

Section 96 (1)(b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as “advice” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Notice to Prospective Investors in Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Israeli Securities Law, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the ordinary shares is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and “qualified individuals,” each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where
permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.
Expenses of the offering

We expect that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC registration fee</td>
<td>$</td>
</tr>
<tr>
<td>FINRA filing fee</td>
<td>$</td>
</tr>
<tr>
<td>Nasdaq initial listing fees and expenses</td>
<td>$</td>
</tr>
<tr>
<td>Printing expenses</td>
<td>$</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>$</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>$</td>
</tr>
<tr>
<td>Stamp duty</td>
<td>$</td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

* To be provided by amendment.

All amounts in the table are estimates except the SEC registration fee and the FINRA filing fee. We will pay all of the expenses of this offering. In addition, we are obligated to pay a fee to TriplePoint upon the completion of this offering. See “Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Sources of Capital Resources.”
Legal matters

The validity of the ordinary shares and certain other matters with respect to Swiss law will be passed upon for us by Homburger AG, Zurich, Switzerland. Certain matters with respect to U.S. federal and New York State law will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York. Certain matters with respect to U.S. federal and New York State law will be passed upon for the underwriters by Cooley LLP, New York, New York. Certain matters with respect to Swiss law will be passed upon for the underwriters by Lenz & Staehelin, Zurich, Switzerland.
Table of Contents

Change in registrant’s certifying accountant

On October 28, 2020, Ernst & Young Ltd (the “Former Auditor”) was dismissed as our independent accountant. Our board of directors recommended the dismissal of the Former Auditor and our shareholders approved the dismissal of the Former Auditor on October 28, 2020.

The Former Auditor’s audit report on our statutory non-consolidated financial statements for fiscal year 2019 did not contain any adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal year ended December 31, 2019 and through the subsequent interim period on or prior to dismissal, (a) there were no “disagreements” (within the meaning of Item 16F(a)(1)(iv) of Form 20-F) between us and the Former Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the Former Auditor, would have caused the Former Auditor to make reference to the subject matter of the disagreement in their reports on the financial statements for such years; and (b) there were no “reportable events” (as that term is defined in Item 16F(a)(1)(v) of Form 20-F).

We provided the Former Auditor with a copy of the disclosures that we are making in the registration statement of which this prospectus forms a part prior to the time the registration statement was publicly filed with the SEC. We have requested that the Former Auditor furnish a letter addressed to the SEC stating whether or not it agrees with the statements made herein, a copy of which is filed as Exhibit 16.1 to the registration statement of which this prospectus forms a part.

Effective October 28, 2020, our shareholders appointed PricewaterhouseCoopers SA as our new independent registered public accounting firm. During the fiscal year ended December 31, 2019 and the subsequent interim period through October 28, 2020, neither we nor anyone acting on our behalf has consulted with PricewaterhouseCoopers SA with respect to (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, and neither a written report nor oral advice was provided to us that PricewaterhouseCoopers SA concluded was an important factor considered by us in reaching a decision as to any accounting, auditing, or financial reporting issue, or (b) any matter that was either the subject of a “disagreement” or “reportable event” within the meaning of Item 16F(a)(1) of Form 20-F.

240
Experts

The consolidated financial statements as of December 31, 2020 and 2019 and for each of the two years in the period ended December 31, 2020 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers SA, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting. PricewaterhouseCoopers SA is a member of EXPERTsuisse — Swiss Expert Association for Audit, Tax and Fiduciary.
Enforcement of judgments

We are organized under the laws of Switzerland and our registered office and domicile is located in Saint-Sulpice, Switzerland. Moreover, a number of our directors and executive officers are not residents of the United States and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or upon such persons or to enforce against them judgments obtained in U.S. courts, including judgments in actions predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our Swiss counsel that there is doubt as to the enforceability in Switzerland of original actions, or in actions for enforcement of judgments of U.S. courts, of civil liabilities to the extent solely predicated upon the federal and state securities laws of the United States. Original actions against persons in Switzerland based solely upon the U.S. federal or state securities laws are governed, among other things, by the principles set forth in the PILA. This statute provides that the application of provisions of non-Swiss law by the courts in Switzerland shall be precluded if the result would be incompatible with Swiss public policy. Also, mandatory provisions of Swiss law may be applicable regardless of any other law that would otherwise apply.

Switzerland and the United States do not have a treaty providing for reciprocal recognition of and enforcement of judgments in civil and commercial matters. The recognition and enforcement of a judgment of the courts of the United States in Switzerland is governed by the principles set forth in the PILA. This statute provides in principle that a judgment rendered by a non-Swiss court may be enforced in Switzerland only if:

- the non-Swiss court had jurisdiction pursuant to the PILA;
- the judgment of such non-Swiss court has become final and non-appealable;
- the judgment does not contravene Swiss public policy;
- the court procedures and the service of documents leading to the judgment were in accordance with the due process of law; and
- no proceeding involving the same position and the same subject matter was first brought in Switzerland, or adjudicated in Switzerland, or was earlier adjudicated in a third state and this decision is recognizable in Switzerland.
Where you can find more information

We have filed with the SEC a registration statement (including amendments and exhibits to the registration statement) on Form F-1 under the Securities Act. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information, we refer you to the registration statement and the exhibits and schedules filed as part of the registration statement. If a document has been filed as an exhibit to the registration statement, we refer you to the copy of the document that has been filed. Each statement in this prospectus relating to a document filed as an exhibit is qualified in all respects by the filed exhibit.

Upon completion of this offering, we will become subject to the informational requirements of the Exchange Act. Accordingly, we will be required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements and other information we have filed electronically with the SEC. As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We maintain a corporate website at www.sophiagenetics.com. The reference to our website is an inactive textual reference only and information contained therein or connected thereto are not incorporated into this prospectus or the registration statement of which it forms a part.
Index to consolidated financial statements

Contents

Annual Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm
- Consolidated Statement of Income/Loss
- Consolidated Statement of Comprehensive Income/Loss
- Consolidated Balance Sheet
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements

Unaudited Condensed Interim Consolidated Financial Statements
- Unaudited Condensed Interim Consolidated Statement of Income/Loss
- Unaudited Condensed Interim Consolidated Statement of Comprehensive Income/Loss
- Unaudited Condensed Interim Consolidated Balance Sheet
- Unaudited Condensed Interim Consolidated Statement of Changes in Equity
- Unaudited Condensed Interim Consolidated Statement of Cash Flows
- Notes to the Unaudited Condensed Interim Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Sophia Genetics SA

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sophia Genetics SA and its subsidiaries (the “Company”) as of December 31, 2020 and 2019 and January 1, 2019, and the related consolidated statements of income/loss, comprehensive income/loss, changes in equity, and cash flows for each of the two years in the period ended December 31, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and January 1, 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers SA

Lausanne, Switzerland

May 24, 2021, except for the effects of the share split discussed in Note 35 “Significant accounting policies—Basis of preparation—Share split” to the consolidated financial statements, as to which the date is July 2, 2021

We have served as the Company’s auditor since 2020.
# SOPHiA Genetics SA, Saint-Sulpice

## Consolidated statement of income/loss

<table>
<thead>
<tr>
<th>In USD thousands except per share data</th>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3</td>
<td>28,400</td>
<td>25,362</td>
</tr>
<tr>
<td>Cost of Revenue</td>
<td>4/5</td>
<td>(10,709)</td>
<td>(7,532)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td><strong>17,691</strong></td>
<td><strong>17,830</strong></td>
</tr>
<tr>
<td>Research and development costs</td>
<td>5</td>
<td>(18,588)</td>
<td>(15,018)</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>5</td>
<td>(17,432)</td>
<td>(19,414)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>5</td>
<td>(18,965)</td>
<td>(15,669)</td>
</tr>
<tr>
<td>Other operating income and (expense), net</td>
<td>6</td>
<td>(93)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td></td>
<td><strong>(37,387)</strong></td>
<td><strong>(32,287)</strong></td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td>7</td>
<td>(3,838)</td>
<td>(1,342)</td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td></td>
<td><strong>(41,225)</strong></td>
<td><strong>(33,629)</strong></td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td>8</td>
<td>1,886</td>
<td>(162)</td>
</tr>
<tr>
<td><strong>Loss for the year</strong></td>
<td></td>
<td><strong>(39,339)</strong></td>
<td><strong>(33,791)</strong></td>
</tr>
<tr>
<td><strong>Attributable to the owners of the parent</strong></td>
<td></td>
<td><strong>(39,339)</strong></td>
<td><strong>(33,791)</strong></td>
</tr>
<tr>
<td><strong>Loss per share</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted loss per share (in USD)</td>
<td>9</td>
<td>(0.93)</td>
<td>(0.90)</td>
</tr>
</tbody>
</table>

The notes form an integral part of these consolidated financial statements.
## SOPHiA Genetics SA, Saint-Sulpice
### Consolidated statement of comprehensive income/loss

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loss for the year</strong></td>
<td></td>
<td>(39,339)</td>
<td>(33,791)</td>
</tr>
<tr>
<td><strong>Other comprehensive (loss)/profit:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified to profit or loss (net of tax)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td></td>
<td>7,338</td>
<td>272</td>
</tr>
<tr>
<td><strong>Total items that may be reclassified to profit or loss</strong></td>
<td></td>
<td>7,338</td>
<td>272</td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss (net of tax)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit plans</td>
<td>22</td>
<td>184</td>
<td>(1,523)</td>
</tr>
<tr>
<td><strong>Total items that will not be reclassified to profit or loss</strong></td>
<td></td>
<td>184</td>
<td>(1,523)</td>
</tr>
<tr>
<td><strong>Other comprehensive profit/(loss) for the year</strong></td>
<td></td>
<td>7,522</td>
<td>(1,251)</td>
</tr>
<tr>
<td><strong>Total comprehensive loss for the year</strong></td>
<td></td>
<td>(31,817)</td>
<td>(35,042)</td>
</tr>
<tr>
<td><strong>Attributable to owners of the parent</strong></td>
<td></td>
<td>(31,817)</td>
<td>(35,042)</td>
</tr>
</tbody>
</table>

The notes on form an integral part of these consolidated financial statements.
# SOPHiA Genetics SA, Saint-Sulpice
## Consolidated balance sheet

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Notes</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>10</td>
<td>74,625</td>
<td>18,069</td>
</tr>
<tr>
<td>Term deposits and short-term investments</td>
<td>11</td>
<td>22,720</td>
<td>366</td>
</tr>
<tr>
<td>Accounts receivable—trade</td>
<td>12</td>
<td>3,384</td>
<td>3,610</td>
</tr>
<tr>
<td>Inventory</td>
<td>13</td>
<td>2,602</td>
<td>3,785</td>
</tr>
<tr>
<td>Other current assets</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>109,694</td>
<td>33,759</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>15</td>
<td>1,772</td>
<td>1,913</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>16</td>
<td>3,767</td>
<td>4,535</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>17</td>
<td>13,282</td>
<td>10,236</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>8</td>
<td>2,114</td>
<td>—</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>14</td>
<td>1,486</td>
<td>1,212</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td></td>
<td>22,421</td>
<td>17,896</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>132,115</td>
<td>51,655</td>
</tr>
</tbody>
</table>

| **Liabilities and equity** |       |                         |                      |
| Current liabilities       |       |                         |                      |
| Accounts payable          | 18    | 5,907                   | 5,400                | 2,363                |
| Accrued expenses          | 19    | 9,081                   | 6,902                | 4,677                |
| Deferred contract revenue | 3     | 2,642                   | 2,097                | 1,874                |
| Borrowings                | 21    | 2,873                   | 2,225                | 1,943                |
| Lease liabilities         | 16    | 1,036                   | 967                  | 544                  |
| Other current liabilities | 20    | 48                      | 1,666                | —                    |
| Total current liabilities |     | 21,587                  | 19,257               | 11,401               |

| Non-current liabilities   |       |                         |                      |
| Borrowings                | 21    | 457                     | 1,613                | 3,910                |
| Lease liabilities         | 16    | 2,883                   | 3,659                | 2,818                |
| Defined benefit pension liabilities | 22 | 5,158                   | 4,063                | 2,096                |
| Deferred contract revenue | 3     | 142                     | 82                   | 66                   |
| Other non-current liabilities | 20  | 1,378                   | 728                  | 1,512                |
| Total non-current liabilities |    | 10,018                  | 10,145               | 10,402               |
| **Total liabilities**     |       | 31,605                  | 29,402               | 21,803               |

| **Equity**                |       |                         |                      |
| Share capital             | 23    | 2,460                   | 1,947                | 1,912                |
| Share premium             | 23    | 227,429                 | 119,227              | 117,502              |
| Other reserves            | 24    | 8,300                   | (581)                | (47)                 |
| Accumulated deficit       |       | (137,679)               | (98,340)             | (64,549)             |
| **Total equity**          |       | 100,510                 | 22,253               | 54,818               |
| **Total liabilities and equity** |     | 132,115                 | 51,655               | 76,621               |

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

F-6
# SOPHiA Genetics SA, Saint-Sulpice
## Consolidated statement of changes in equity

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Notes</th>
<th>Share capital</th>
<th>Share premium</th>
<th>Other reserves</th>
<th>Accumulated deficit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1, 2019</td>
<td></td>
<td>1,912</td>
<td>117,502</td>
<td>(47)</td>
<td>(64,549)</td>
<td>54,818</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(33,791)</td>
<td>(33,791)</td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td>(1,251)</td>
<td></td>
<td>(1,251)</td>
</tr>
<tr>
<td>Total other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td>(1,251)</td>
<td>(33,791)</td>
<td>(35,042)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>25</td>
<td></td>
<td></td>
<td>717</td>
<td></td>
<td>717</td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share options exercised</td>
<td>23</td>
<td>35</td>
<td>1,725</td>
<td></td>
<td></td>
<td>1,760</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td></td>
<td>1,947</td>
<td>119,227</td>
<td>(581)</td>
<td>(98,340)</td>
<td>22,253</td>
</tr>
<tr>
<td>As at January 1, 2020</td>
<td></td>
<td>1,947</td>
<td>119,227</td>
<td>(581)</td>
<td>(98,340)</td>
<td>22,253</td>
</tr>
<tr>
<td>Loss for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(39,339)</td>
<td>(39,339)</td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td>7,522</td>
<td></td>
<td>7,522</td>
</tr>
<tr>
<td>Total other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td>7,522</td>
<td>(39,339)</td>
<td>(31,817)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>25</td>
<td></td>
<td></td>
<td>1,359</td>
<td></td>
<td>1,359</td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share options exercised</td>
<td>23</td>
<td>17</td>
<td>1,055</td>
<td></td>
<td></td>
<td>1,072</td>
</tr>
<tr>
<td>Issue of share capital, net of transaction costs</td>
<td>23</td>
<td>496</td>
<td>107,147</td>
<td></td>
<td></td>
<td>107,643</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td></td>
<td>2,460</td>
<td>227,429</td>
<td>8,300</td>
<td>(137,679)</td>
<td>100,510</td>
</tr>
</tbody>
</table>

The notes form an integral part of these consolidated financial statements.
# SOPHiA Genetics SA, Saint-Sulpice
## Consolidated statement of cash flows

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before tax</td>
<td></td>
<td>(41,225)</td>
<td>(33,629)</td>
</tr>
<tr>
<td><strong>Adjustments for non-monetary items</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>5</td>
<td>1,758</td>
<td>1,546</td>
</tr>
<tr>
<td>Amortization</td>
<td>5</td>
<td>632</td>
<td>367</td>
</tr>
<tr>
<td>Interest expense</td>
<td>7</td>
<td>1,224</td>
<td>1,073</td>
</tr>
<tr>
<td>Interest income</td>
<td>7</td>
<td>(96)</td>
<td>(86)</td>
</tr>
<tr>
<td>Expected credit loss allowance</td>
<td>12</td>
<td>763</td>
<td>872</td>
</tr>
<tr>
<td>Other non-cash items of income and expense</td>
<td>26</td>
<td>2,025</td>
<td>850</td>
</tr>
<tr>
<td><strong>Working capital changes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in accounts receivable—trade</td>
<td>118</td>
<td>(4,352)</td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in other current assets</td>
<td>2,347</td>
<td>(2,009)</td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in inventory</td>
<td>536</td>
<td>(862)</td>
<td></td>
</tr>
<tr>
<td>Increase/(decrease) in accounts payables</td>
<td>(185)</td>
<td>5,603</td>
<td></td>
</tr>
<tr>
<td><strong>Cash used in operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax received/(paid)</td>
<td></td>
<td>153</td>
<td>(252)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(855)</td>
<td></td>
<td>(837)</td>
</tr>
<tr>
<td>Interest received</td>
<td>75</td>
<td></td>
<td>36</td>
</tr>
<tr>
<td><strong>Net cash flows used in operating activities</strong></td>
<td>31,730</td>
<td>(31,680)</td>
<td></td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>15</td>
<td>(450)</td>
<td>(1,355)</td>
</tr>
<tr>
<td>Investment in term deposit</td>
<td>11</td>
<td>(21,119)</td>
<td>—</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>17</td>
<td>(318)</td>
<td>(1,678)</td>
</tr>
<tr>
<td>Capitalized development costs</td>
<td>17</td>
<td>(2,436)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(24,323)</td>
<td>(3,039)</td>
<td></td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issuance of share capital, net of transaction costs</td>
<td>23</td>
<td>107,643</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds from exercise of share options</td>
<td>23</td>
<td>1,072</td>
<td>1,760</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>21</td>
<td>15,839</td>
<td>—</td>
</tr>
<tr>
<td>Payments of principal portion of lease liabilities</td>
<td>16</td>
<td>(980)</td>
<td>(816)</td>
</tr>
<tr>
<td>Repayments of borrowings</td>
<td>21</td>
<td>(16,529)</td>
<td>(1,967)</td>
</tr>
<tr>
<td><strong>Net cash flow from/(used) in financing activities</strong></td>
<td>107,045</td>
<td>(1,023)</td>
<td></td>
</tr>
<tr>
<td><strong>Increase/(decrease) in cash and cash equivalents</strong></td>
<td>50,992</td>
<td>(35,736)</td>
<td></td>
</tr>
<tr>
<td>Effect of exchange differences on cash balances</td>
<td>5,564</td>
<td>(102)</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>18,069</td>
<td>53,907</td>
<td></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the year</strong></td>
<td>74,625</td>
<td>18,069</td>
<td></td>
</tr>
</tbody>
</table>

The notes form an integral part of these consolidated financial statements.
SOPHiA Genetics SA, Saint-Sulpice
Notes to the consolidated financial statements

1. Company information

General information

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

As at December 31, 2020 and throughout the two years ended on that date the Group had the following wholly owned subsidiaries:

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of domicile</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOPHiA GENETICS S.A.S.</td>
<td>France</td>
</tr>
<tr>
<td>SOPHiA GENETICS LTD</td>
<td>UK</td>
</tr>
<tr>
<td>SOPHiA GENETICS, Inc.</td>
<td>USA</td>
</tr>
</tbody>
</table>

SOPHiA GENETICS Intermediação de Negócios EIRELI, a wholly owned subsidiary located in Brazil was incorporated on April 17, 2019. Interactive Biosoftware S.A.S., a wholly owned subsidiary located in France and acquired in 2018, was merged into SOPHiA GENETICS S.A.S. in 2020.

The Group’s Board of Directors approved the issue of the consolidated financial statements on May 24, 2021 except for the share split disclosed in note 35, “Significant accounting policies—Basis of preparation—Share split” as to which the date is July 2, 2021.

2. Segment reporting

The Group operates in a single operating segment. The nature of the Group’s customers is considered in note 12, “Accounts receivable – trade.” While the Group has several revenue streams, their complementary nature means that it is not meaningful to attempt to identify separate costs for each of these streams. The Group’s financial information is reviewed and its performance assessed as a single segment by the senior management team (the Chief Operating Decision-Maker), led by the Chief Executive Officer (“CEO”).
### An analysis of revenue by destination country is presented below:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>France</td>
<td>6,060</td>
<td>5,874</td>
</tr>
<tr>
<td>Italy</td>
<td>2,994</td>
<td>3,150</td>
</tr>
<tr>
<td>United States</td>
<td>2,636</td>
<td>1,989</td>
</tr>
<tr>
<td>Spain</td>
<td>2,356</td>
<td>2,105</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1,708</td>
<td>722</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,535</td>
<td>1,186</td>
</tr>
<tr>
<td>Austria</td>
<td>1,310</td>
<td>927</td>
</tr>
<tr>
<td>Turkey</td>
<td>1,222</td>
<td>1,714</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1,147</td>
<td>1,213</td>
</tr>
<tr>
<td>Germany</td>
<td>1,146</td>
<td>1,140</td>
</tr>
<tr>
<td>Other</td>
<td>6,286</td>
<td>5,342</td>
</tr>
<tr>
<td>Total revenue</td>
<td>28,400</td>
<td>25,362</td>
</tr>
</tbody>
</table>

The Group has locations in four countries outside of its headquarters in Switzerland: France, the United States, the UK and Brazil. An analysis of the location of non-current non-financial assets by country is as follows:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>17,362</td>
<td>14,954</td>
</tr>
<tr>
<td>France</td>
<td>2,656</td>
<td>1,021</td>
</tr>
<tr>
<td>United States</td>
<td>996</td>
<td>1,239</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>416</td>
<td>2</td>
</tr>
<tr>
<td>Brazil</td>
<td>7</td>
<td>—</td>
</tr>
<tr>
<td>Total non-current non-financial assets</td>
<td>21,437</td>
<td>17,216</td>
</tr>
</tbody>
</table>

### 3. Revenue

#### Accounting policy

**Nature of goods and services**

Revenue represents amounts received and receivable from third parties for goods supplied and services rendered to customers. Revenues are reported net of rebates and discounts and net of sales and value added taxes in an amount that reflects the consideration that is expected to be received for goods or services. The majority of the sales revenue is recognized: (i) when customers generate analyses on their patient data through the SOPHiA platform, (ii) when consumables, namely DNA enrichment kits, are delivered to customers at which point control transfers, (iii) when services, namely set-up programs, are performed and (iv) over the duration of the software licensing arrangements for the Alamut software offerings.

Products and services are sold both directly to customers and through distributors, generally under agreements with payment terms of up to 180 days. Therefore, contracts do not contain a significant financing component.

**SOPHiA Platform:** The majority of the SOPHiA platform revenue is derived from each use of the SOPHiA platform by customers to generate analysis on their patient data. Analysis revenue is recognized as analysis.
results are made available to the customer on the SOPHiA platform. Contract assets are recognized on the balance sheet as accrued contract revenue for any analyses performed by customers that have not been invoiced at the reporting period date. Any payments received in advance of customers generating analyses are recorded as deferred contract revenue until the analyses are performed.

Customers use the SOPHiA platform to perform analyses under three different models: dry lab access; bundle access; and integrated access. For dry lab arrangements, customers use the testing instruments and consumables of their choice and the SOPHiA platform and algorithms for variant detection and identification. In these arrangements, the Group has identified one performance obligation, which is the delivery of the analysis result to the customer.

For bundle arrangements, customers purchase a DNA enrichment kit along with each analysis. Customers use the DNA enrichment kit in the process of performing their own sequencing of each sample. Customers then upload their patient data to the SOPHiA platform for analysis. In these arrangements, the Group has identified two performance obligations: the delivery of the DNA enrichment kits and the performance of the analyses. Revenue is recognized for the DNA enrichment kits when control of products has transferred to the customer, which is generally at the time of delivery, as this is when title and risk of loss have been transferred. Revenue for the performance of the analyses is recognized on delivery of the analysis results to the customer. Refer to the policy for arrangements with multiple performance obligations for how revenue is allocated between the performance obligations.

Deferred contract revenue balances relating to analyses not performed 12 months after the date of the last platform usage are recognized as revenue. This policy is not based on contractual conditions but on the Group’s experience of customer behavior.

For integrated arrangements, customers have their samples processed and sequenced through selected SOPHiA platform partners within the clinical network and access their data through the SOPHiA platform. The Group has identified one performance obligation, which is delivery of the analysis results to the customer.

Through the SOPHiA platform the Group also sells access to Alamut software products. Some arrangements with customers allow customers to use Alamut as a hosted software service over the contract period without the customer taking possession of the software. Other customers take possession of the software, but the utility of that software is limited by access to the Group’s proprietary SOPHiA database, which is provided to the customer on a fixed term basis. Under both models, revenue is recognized on a straight-line basis over the duration of the agreement.

The Group also derives revenue from the SOPHiA platform by providing services to biopharma customers who engage the Group to (i) develop and perform customized genomic analyses and / or (ii) access the database for use in clinical trials and other research projects.

The biopharma contracts are generally unique, so the following steps are performed to determine the amount of revenue to be recognized and when it should be recognized: (1) identify the contract or contracts; (2) determine whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (3) measure the transaction price, including the constraint on variable consideration; (4) allocate the transaction price to the performance obligations based on estimated selling prices; and (5) recognize revenue when (or as) each performance obligation is satisfied.

Generally, the primary performance obligation in these arrangements is the delivery of analysis results in the form of a final report, resulting in revenue being recognized, in most cases, upon the issuance of the final report or successful recruitment of clinical trial participants.
Workflow materials and services: Revenue from workflow materials and services includes all revenue from the sale of materials and services that do not form part of a contract for the provision of platform services. These include the provision of set-up programs and training and the sale of kits and tests that are not linked to use of the platform. Set-up programs and training are typically combined with a customer’s first order prior to the customer beginning to use the SOPHiA platform.

Revenue from services is generally recognized when the services are performed. Revenue from materials is recognized when control of the goods is transferred to the customer, generally at the time of delivery. This category of revenue also includes the revenue from the sale of DNA sequencing automation equipment accounted for under IFRS 16, Leasing and the fees charged for the maintenance of this equipment.

Arrangements with multiple performance obligations
The Group sells different combinations of analyses, consumables and services to its customers under its various SOPHiA platform models. The Group has determined that the stand-alone selling prices for services and DNA enrichment kits are directly observable. For set-up programs and training sold along with dry lab arrangements or bundle arrangements, the stand-alone selling price of these services is determined on a time and materials basis. For DNA enrichment kits sold as part of a bundle, the stand-alone selling price is based on an expected cost-plus-margin approach.

The Group has determined that the stand-alone selling price for the analyses, in both a dry lab arrangement and bundle arrangement, is highly variable and therefore a representative stand-alone selling price is not discernible from past transactions. As a result, the residual approach is used to determine the stand-alone selling price of the analyses in dry lab arrangements that include services and in bundle arrangements that include DNA enrichment kits and, in some cases, services.

The Group also has a small number of bundle contracts with a fixed term, generally four years, that also include providing the customer with DNA sequencing automation equipment, which the Group has determined is an IFRS 16 leasing component. In these arrangements the Group provides DNA sequencing automation equipment to the customer over the fixed term and at completion of the contract term the customer takes possession of the equipment. The Group has determined that it is a dealer lessor and provision of this equipment to the customer is classified as a finance lease. As a result, upon delivery of leased equipment at the inception of the arrangement, a selling profit is recognized based on the fair value of the underlying equipment less the cost of the equipment. Over the term of the agreement, the minimum lease payment is deducted from the proceeds of the bundle sales in order to reduce the net investment in the corresponding lease receivable over the contract term and interest income is recognized as the discount on the lease receivable unwinds. The remaining proceeds from the contract are accounted for under IFRS 15, “Revenue from Contracts with Customers,” using the policies described above.

Costs to fulfill
Costs are incurred to fulfill obligations under certain biopharma contracts once obtained, but before transferring goods or services to the customer. Fulfillment costs are recognized as an asset, provided these costs are not addressed by other accounting standards, if the following criteria are met: (i) the costs relate directly to a contract or an anticipated contract that the Group can specifically identify, (ii) the costs generate or enhance resources of the Group that will be used in satisfying (or continuing to satisfy) performance obligations in the future and (iii) the costs are expected to be recovered.

The asset recognized from deferring the costs to fulfill a contract is recorded in the consolidated balance sheet as deferred contract costs within other current assets and amortized on a systematic basis consistent with the
pattern of the transfer of the goods or services to which the asset relates, which depends on the nature of the performance obligation(s) in the contract. The amortization of these assets is recorded in cost of revenue.

Revenue streams
The Group’s revenue from contracts with customers has been allocated to the revenue streams indicated below.

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOPHiA platform</td>
<td>27,221</td>
<td>23,710</td>
</tr>
<tr>
<td>Workflow equipment and services</td>
<td>1,179</td>
<td>1,652</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>28,400</strong></td>
<td><strong>25,362</strong></td>
</tr>
</tbody>
</table>

Workflow equipment and services includes lease revenue recognized under IFRS 16, Leases, of USD 103 thousand (2019: USD 246 thousand).

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

Accrued contract revenue

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued contract revenue before loss allowance</td>
<td>262</td>
<td>448</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Accrued contract revenue net of loss allowance</strong></td>
<td><strong>262</strong></td>
<td><strong>448</strong></td>
</tr>
</tbody>
</table>

Deferred contract costs

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>18</td>
<td>241</td>
</tr>
<tr>
<td>Non-current</td>
<td>—</td>
<td>104</td>
</tr>
<tr>
<td><strong>Total deferred contract cost</strong></td>
<td><strong>18</strong></td>
<td><strong>257</strong></td>
</tr>
</tbody>
</table>

Deferred contract revenue

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>2,642</td>
<td>2,097</td>
</tr>
<tr>
<td>Non-current</td>
<td>142</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total deferred contract revenue</strong></td>
<td><strong>2,784</strong></td>
<td><strong>2,179</strong></td>
</tr>
</tbody>
</table>
Accrued contract revenue is related to unbilled SOPHiA platform analyses.

Deferred contract costs comprise deferred fulfillment costs related to biopharma and prepaid maintenance costs relating to DNA sequencing automation equipment.

Deferred contract revenue relates to advances or deposits received from customers before revenue is recognized and is primarily related to SOPHiA platform analyses invoiced in advance of the customers performing the analyses, deferred Alamut software revenue and progress payments received as part of biopharma contracts. For reporting purposes, deferred revenue billed but not collected at period end is deducted from deferred revenue and accounts receivable, so that both balances are reported net of unpaid deferred revenue.

Deferred contract revenue brought forward at January 1, 2020 and January 1, 2019 amounted to USD 2,179 thousand and USD 1,940 thousand, respectively. During the twelve months ended December 31, 2020 and 2019, the Group satisfied the performance obligations associated with that deferred contract revenue to the extent that revenue was recognized of USD 2,036 thousand and USD 1,859 thousand, respectively.

The majority of platform revenue is derived from contracts with an original expected length of one year or less. However, there are certain biopharma and Alamut contracts in which performance obligations extend over multiple years. The Group has elected to apply the practical expedient not to disclose the value of remaining performance obligations associated with these types of contracts.

4. Cost of revenue

Cost of revenue comprises costs directly incurred in earning revenue, including computer costs and data storage fees paid to hosting providers, manufacturing costs, materials and consumables, the cost of equipment leased out under finance leases, personnel-related expenses and amortization of capitalized development costs.

5. Operating expense

Research and development costs

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

Selling and marketing costs

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

General and administrative costs

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

The Group receives government grants in France for research and development and innovation by way of tax credits. Total government grants for research and development and innovation recognized in the statement of income/loss during the period amounts to USD 763 thousand (2019: USD 447 thousand). There are no unfulfilled conditions or other contingencies attached to these grants.

Government grants—PPP loan

On June 3, 2020, SOPHiA GENETICS Inc. was granted a USD 745 thousand loan from Citizens Bank under the Paycheck Protection Program (‘PPP’) maturing on June 3, 2022. This loan carried an interest of 1% and was scheduled to be repaid in twelve monthly installments starting from July 3, 2021. The loan agreement allowed for the Company to apply for loan forgiveness if the Company used the proceeds for payroll and/or rental obligations within the 8-week period after the disbursement of the loan.

The Company was confident from inception of the loan that it would meet the conditions for non-repayment of the loan and accounted for it as a government grant. The loan proceeds were recognized as a reduction in employee benefit expenses within selling and marketing costs in the 8-week period after disbursement of the loan.

The Company submitted an application for loan forgiveness in January 2021 and the loan including interest due was confirmed to be forgiven on February 24, 2021.

Accounting policy

Certain government grants for payroll and/or rental obligations are received as loans that are forgiven if the proceeds are utilized as intended within the specified timeframe. As soon as it is clear that the conditions for forgiveness will be fulfilled, these loans are recognized in the statement of income/loss as a reduction in the operating expense costs that they are intended to fund.

Sales commission

The Group pays sales commission to its employees for obtaining contracts. These costs are expensed as part of employee compensation in selling and marketing costs. They are not capitalized as contract costs as the commissions either represent bonuses payable for revenue earned in the period or have a service condition attached.
Operating expense by nature

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Changes in inventories of finished goods and work in progress</td>
<td>(259)</td>
</tr>
<tr>
<td>Raw materials and consumables used</td>
<td>(3,843)</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>(36,732)</td>
</tr>
<tr>
<td>Social charges</td>
<td>(6,983)</td>
</tr>
<tr>
<td>COVID—salaries reimbursement</td>
<td>1,129</td>
</tr>
<tr>
<td>Research tax credit</td>
<td>763</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>(1,359)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1,758)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(632)</td>
</tr>
<tr>
<td>Professional fees</td>
<td>(5,371)</td>
</tr>
<tr>
<td>Office expenses</td>
<td>(2,006)</td>
</tr>
<tr>
<td>Travel</td>
<td>(1,361)</td>
</tr>
<tr>
<td>Marketing</td>
<td>(972)</td>
</tr>
<tr>
<td>Licenses</td>
<td>(1,647)</td>
</tr>
<tr>
<td>Less: capitalized software development costs (note 17, “Intangible assets”)</td>
<td>2,436</td>
</tr>
<tr>
<td>Other expense</td>
<td>(7,099)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(65,694)</td>
</tr>
</tbody>
</table>

Depreciation and amortization have been charged in the following expense categories:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>—</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>(727)</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>(543)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td>(488)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,758)</td>
</tr>
</tbody>
</table>

6. Other operating income and (expense)

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Government grants—COVID loans</td>
<td>93</td>
</tr>
<tr>
<td>Gains on disposal of tangible assets</td>
<td>4</td>
</tr>
<tr>
<td>Intangible assets write-off</td>
<td>(226)</td>
</tr>
<tr>
<td>Other operating income/(expense), net</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total other operating income and (expense)</strong></td>
<td>(93)</td>
</tr>
</tbody>
</table>

Government grants—COVID-19 loans

COVID-19 loans are granted at below-market rates of interest and represent a form of government grant.

F-16
Accounting policy

On inception, a COVID-19 loan is initially measured at fair value, calculated on the basis of the contractual future cashflows. The surplus of the loan proceeds over the fair value of the loan is recognized initially on the balance sheet in deferred government grant income within other liabilities and released to income within other operating income over the life of the loan. The loan is subsequently accounted for at amortized cost using the effective interest rate method.

7. Finance income and (expense), net

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Interest income</td>
<td>96</td>
</tr>
<tr>
<td><strong>Total interest income</strong></td>
<td><strong>96</strong></td>
</tr>
<tr>
<td>Interest on loans</td>
<td>(513)</td>
</tr>
<tr>
<td>Interest on lease liabilities</td>
<td>(121)</td>
</tr>
<tr>
<td>Other interest</td>
<td>(206)</td>
</tr>
<tr>
<td><strong>Total interest expense</strong></td>
<td><strong>(840)</strong></td>
</tr>
<tr>
<td>Derivative fair value gains/(losses)</td>
<td>(384)</td>
</tr>
<tr>
<td>Foreign exchange gains/(losses), net</td>
<td>(2,710)</td>
</tr>
<tr>
<td><strong>Total finance income and (expense), net</strong></td>
<td><strong>(3,838)</strong></td>
</tr>
</tbody>
</table>

Interest income consists of interest income earned on cash and cash equivalents, short-term investments and lease receivables.

Interest expense on loans includes interest on commercial borrowings and also interest on COVID-19 loans using the effective interest rate method. The relevant accounting policy is disclosed above in note 6, “Other operating income and (expense).”

Other interest expense includes interest on an earnout retention bonus resulting from the purchase of Interactive Biosoftware and included in other liabilities (see note 20, “Other current and non-current liabilities”).

The foreign exchange gains and losses arise principally on USD cash balances and intercompany receivable balances in the parent company, whose functional currency is the Swiss franc.

The derivative fair value losses arise on the revaluation of a success fee associated with a loan and explained in note 20, “Other current and non-current liabilities.”
### 8. Income taxes

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td><strong>Current (expense)/benefit:</strong></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>—</td>
</tr>
<tr>
<td>Uncertain tax positions</td>
<td>(74)</td>
</tr>
<tr>
<td><strong>Total current (expense)/benefit</strong></td>
<td>(74)</td>
</tr>
<tr>
<td><strong>Deferred (expense)/benefit:</strong></td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of temporary differences</td>
<td>5,236</td>
</tr>
<tr>
<td>Unrecognized deferred tax assets</td>
<td>(3,276)</td>
</tr>
<tr>
<td><strong>Total deferred (expense)/benefit</strong></td>
<td>1,960</td>
</tr>
<tr>
<td><strong>Total income tax (expense)/benefit:</strong></td>
<td>1,886</td>
</tr>
</tbody>
</table>

Reconciliation of the expected tax expense to the tax expense reported in the statement of income/loss.

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(41,225)</td>
</tr>
<tr>
<td>Tax at Swiss statutory rate</td>
<td>5,541</td>
</tr>
<tr>
<td>Effect of tax rates in foreign jurisdictions</td>
<td>(177)</td>
</tr>
<tr>
<td><strong>Tax effect of:</strong></td>
<td></td>
</tr>
<tr>
<td>Unrecognized deferred tax assets</td>
<td>(3,276)</td>
</tr>
<tr>
<td>Income not subject to tax / (expense not deductible for tax purposes)</td>
<td>41</td>
</tr>
<tr>
<td>Uncertain tax positions</td>
<td>(74)</td>
</tr>
<tr>
<td>Other</td>
<td>(169)</td>
</tr>
<tr>
<td><strong>Income tax (expense)/benefit</strong></td>
<td>1,886</td>
</tr>
</tbody>
</table>

### Movement in the deferred tax balances

During the year ended December 31, 2020, the Company recognized deferred tax assets for its foreign subsidiaries due to the implementation of intercompany transfer pricing arrangements that will assure realization of their respective deferred tax assets in each country.

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Depreciation &amp; amortization</th>
<th>Bad debt reserves</th>
<th>Accrued pension</th>
<th>ROU asset</th>
<th>Lease liability</th>
<th>Other</th>
<th>Net operating loss carryforward</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at January 1, 2020</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Recognized in profit or loss</td>
<td>268</td>
<td>403</td>
<td>33</td>
<td>(289)</td>
<td>280</td>
<td>(17)</td>
<td>1,282</td>
<td>1,960</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>20</td>
<td>30</td>
<td>(5)</td>
<td>(22)</td>
<td>21</td>
<td>7</td>
<td>96</td>
<td>147</td>
</tr>
<tr>
<td><strong>Balance at December 31, 2020</strong></td>
<td>288</td>
<td>433</td>
<td>35</td>
<td>(311)</td>
<td>301</td>
<td>(10)</td>
<td>1,378</td>
<td>2,114</td>
</tr>
<tr>
<td><strong>Deferred tax assets</strong></td>
<td>288</td>
<td>433</td>
<td>35</td>
<td>—</td>
<td>—</td>
<td>(10)</td>
<td>1,378</td>
<td>2,435</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(311)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>— (321)</td>
</tr>
</tbody>
</table>
Unrecognized deferred tax assets

As at December 31, 2020, December 31, 2019 and January 1, 2019, the Company recognized deferred tax assets to the extent that it was probable that they would be realized. The following table consists of the deferred tax assets that have not been recognized because it is not probable that there will be future taxable profits to use these benefits.

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross amount</td>
<td>Tax effect</td>
<td>Gross amount</td>
</tr>
<tr>
<td>Deductible/(taxable) temporary differences</td>
<td>5,371</td>
<td>722</td>
<td>13,360</td>
</tr>
<tr>
<td>Net operating loss carryforwards</td>
<td>141,896</td>
<td>20,616</td>
<td>91,441</td>
</tr>
<tr>
<td>Total</td>
<td>147,267</td>
<td>21,338</td>
<td>104,801</td>
</tr>
</tbody>
</table>

Net operating loss carryforwards

As at December 31, 2020, December 31, 2019 and January 1, 2019, the Company had various net operating loss ("NOL") carryforwards in Switzerland, France, the UK and the US that are available to reduce future taxable income and income taxes, the majority of which will expire at various dates through 2027. As at December 31, 2020, December 31, 2019 and January 1, 2019, the Company had the following NOL carryforwards:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross amount</td>
<td>Expiry date</td>
<td>Gross amount</td>
</tr>
<tr>
<td>Switzerland</td>
<td>131,918</td>
<td>2021-2027</td>
<td>75,762</td>
</tr>
<tr>
<td>France</td>
<td>4,554</td>
<td>unlimited</td>
<td>3,857</td>
</tr>
<tr>
<td>UK</td>
<td>2,450</td>
<td>unlimited</td>
<td>2,162</td>
</tr>
<tr>
<td>US—federal</td>
<td>5,131</td>
<td>unlimited</td>
<td>5,475</td>
</tr>
<tr>
<td>US—state and local</td>
<td>2,165</td>
<td>2029-2040</td>
<td>2,479</td>
</tr>
<tr>
<td>US—state and local</td>
<td>1,706</td>
<td>unlimited</td>
<td>1,706</td>
</tr>
<tr>
<td>Net operating loss carryforwards</td>
<td>147,924</td>
<td>91,441</td>
<td>57,899</td>
</tr>
</tbody>
</table>

Future realization of the tax benefits of existing temporary differences and NOL carryforwards ultimately depends on the existence of sufficient taxable income within the carryforward period. As at December 31, 2020, the Company performed an evaluation to determine the likelihood of realization of these tax benefits. In assessing the realization of the deferred tax assets, the Company considered whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company considered all available evidence, both positive and negative, which included the results of operations for the current and preceding years. The Company determined that it was not possible to reasonably quantify future taxable income and determined that it is not probable that all of the deferred tax assets will be realized in Switzerland but has recognized deferred tax assets in France, the UK, the US and Brazil.

Unrecognized deferred tax liability on retained earnings of subsidiaries

The Company does not provide for foreign income and withholding taxes, Swiss income taxes or tax benefits on the excess of the financial reporting basis over the tax basis of its investments in foreign subsidiaries to the
extent that such amounts are indefinitely reinvested to support operations and continued growth plans outside of Switzerland. The Company reviews its plan to indefinitely reinvest on a periodic basis. In making its decision to indefinitely reinvest, the Company evaluates its plans of reinvestment, its ability to control repatriation and to mobilize funds without triggering basis differences, and the profitability of its Swiss operations and their cash requirements and the need, if any, to repatriate funds. If the assessment of the Company with respect to any earnings of its foreign subsidiaries’ changes, deferred Swiss income taxes, foreign income taxes, and foreign withholding taxes may have to be accrued. Based on its assessment, the Company plans to indefinitely reinvest any undistributed foreign earnings as at December 31, 2020. In addition, the determination of any unrecognized deferred tax liabilities for temporary differences related to the Company’s investment in foreign subsidiaries is not practicable.

During the two years ended December 31, 2020 and 2019, only the Group’s French subsidiary had positive retained earnings, amounting to USD 1,121 thousand (2019: USD 808 thousand).

**Uncertain tax positions**

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates and therefore subject to tax examination by various taxing authorities. In the normal course of business, the Company is subject to examination by local tax authorities in Switzerland, France, Brazil, Australia, the UK and the US. The Company is currently under examination in France for its 2018 and 2019 tax returns and is not aware of any issues under review that could result in significant payments, accruals or material deviation from its tax positions. There are no other tax examinations in progress.

The Company records tax liabilities or benefits for all years subject to examination based upon management’s evaluation of the facts, circumstances and information available at the reporting date. There is inherent uncertainty in quantifying income tax positions, especially considering the complex tax laws and regulations in each of the jurisdictions in which the Company operates.

As at December 31, 2020, the Company recorded a provision of USD 246 thousand (2019: USD 151 thousand) for unrecognized tax liabilities including interest and penalties. The Company records interest and penalties related to income tax amounts as a component of income tax expense.

**9. Loss per share**

Share data have been revised to give effect to the share split explained in note 35, “Significant accounting policies—Basis of preparation—Share split.”
The Company’s shares comprise four classes of ordinary and preferred shares. Each share has a nominal value of CHF 0.05, regardless of share class. The net loss is allocated to each class pro rata to its weighted average number of shares in issue during the period. The basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the period.

<table>
<thead>
<tr>
<th>Data</th>
<th>Ordinary shares</th>
<th>Class D preferred shares</th>
<th>Class E preferred shares</th>
<th>Class F preferred shares</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year ended December 31, 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributed to shareholders</td>
<td>(21,534)</td>
<td>(7,645)</td>
<td>(6,515)</td>
<td>(3,645)</td>
<td>(39,339)</td>
</tr>
<tr>
<td>Weighted average number of shares in issue</td>
<td>23,182,715</td>
<td>8,230,220</td>
<td>7,014,040</td>
<td>3,923,782</td>
<td></td>
</tr>
<tr>
<td>Basic and diluted loss per share in USD</td>
<td>(0.93)</td>
<td>(0.93)</td>
<td>(0.93)</td>
<td>(0.93)</td>
<td></td>
</tr>
<tr>
<td><strong>Year ended December 31, 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributed to shareholders</td>
<td>(20,147)</td>
<td>(7,366)</td>
<td>(6,278)</td>
<td>—</td>
<td>(33,791)</td>
</tr>
<tr>
<td>Weighted average number of shares in issue</td>
<td>22,508,688</td>
<td>8,230,220</td>
<td>7,014,040</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Basic and diluted loss per share in USD</td>
<td>(0.90)</td>
<td>(0.90)</td>
<td>(0.90)</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

For the years ended December 31, 2020 and 2019, the potential impact, on the calculation of loss per share, of the existing potential ordinary shares related to the share option plans 2013 and 2019 (see note 25, “Share-based compensation”) is not presented, as the impact would be to dilute a loss, which causes them to be deemed “not dilutive” for the purposes of the required disclosure.

### 10. Cash and cash equivalents

<table>
<thead>
<tr>
<th>Data</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>42,880</td>
<td>9,789</td>
<td>16,517</td>
</tr>
<tr>
<td><strong>Short-term deposits, up to 3 months</strong></td>
<td>31,745</td>
<td>8,280</td>
<td>37,390</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>74,625</td>
<td>18,069</td>
<td>53,907</td>
</tr>
</tbody>
</table>

### 11. Term deposits and short-term investments

<table>
<thead>
<tr>
<th>Data</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term deposits, over 3 months, up to 12 months</strong></td>
<td>22,720</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Short-term investments</strong></td>
<td>—</td>
<td>366</td>
<td>413</td>
</tr>
<tr>
<td><strong>Total term deposits and short-term investments</strong></td>
<td>22,720</td>
<td>366</td>
<td>413</td>
</tr>
</tbody>
</table>

**Short-term investments**

Short-term investments are investment in mutual funds valued at fair value through the statement of income/loss.
12. Accounts receivable—trade

In USD thousands

<table>
<thead>
<tr>
<th></th>
<th>As at December 31,</th>
<th>As at January 1,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Accounts receivable—trade</td>
<td>9,027</td>
<td>9,760</td>
</tr>
<tr>
<td>Allowance for expected credit losses</td>
<td>(2,664)</td>
<td>(1,831)</td>
</tr>
<tr>
<td><strong>Net accounts receivable</strong></td>
<td>6,363</td>
<td>7,929</td>
</tr>
</tbody>
</table>

Accounts receivable—trade balances are non-interest bearing and payment terms are generally under agreements with payment terms of up to 180 days. The Group's customers are mainly government-owned or government-funded hospitals and laboratories with a low credit risk. The Group has had minimal instances of actual credit losses and considers that this will continue to be the case.

The Group has adopted the simplified method indicated in IFRS 9 to build its allowance for expected credit losses. No provision matrix is used, as the Group has not identified any patterns or correlations that would form the basis for such a matrix. Allowance is made for lifetime expected credit losses as invoices are issued. The amount of allowance initially recognized is based on historical experience, tempered by expected changes in future cash collections, due for example to expected improved customer liquidity or more active credit management.

The movement in the allowance for expected credit losses in accounts receivable—trade is set out below.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1,</td>
<td>1,831</td>
<td>942</td>
</tr>
<tr>
<td>Increase</td>
<td>1,069</td>
<td>1,081</td>
</tr>
<tr>
<td>Reversals</td>
<td>(379)</td>
<td>(202)</td>
</tr>
<tr>
<td>Write-off</td>
<td>(16)</td>
<td>(3)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>159</td>
<td>13</td>
</tr>
<tr>
<td>As at December 31,</td>
<td>2,664</td>
<td>1,831</td>
</tr>
</tbody>
</table>

At December 31, 2020 the Group's largest customer balance represented 5% of accounts receivable—trade (2019: 10%). All customer balances that individually exceeded 1% of accounts receivable—trade in aggregate amounted to USD 4,512 thousand (2019: USD 5,672 thousand).

Accounts receivable—trade include amounts receivable that relate to leases. The Group is the lessor under finance leases related to the leasing out of DNA sequencing automation equipment. As at December 31, 2020, the Group had recorded net lease receivables in the amount of USD 359 thousand (2019: USD 631 thousand) and recognized in the year ended December 31, 2020 lease revenue in the amount of USD 103 thousand (2019: USD 246 thousand) which is recorded in the statement of income/loss under workflow materials and services revenue.
### 13. Inventory

<table>
<thead>
<tr>
<th>Raw materials</th>
<th>As at December 31</th>
<th>As at January 1,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>3,248</td>
<td>2,680</td>
</tr>
<tr>
<td>Work in progress</td>
<td>722</td>
<td>1,061</td>
</tr>
<tr>
<td>Finished goods</td>
<td>127</td>
<td>51</td>
</tr>
<tr>
<td>Equipment to be leased out</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(713)</td>
<td>(182)</td>
</tr>
</tbody>
</table>

**Movement in inventory provisions**

<table>
<thead>
<tr>
<th>As at January 1,</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in provision</td>
<td>(512)</td>
<td>(107)</td>
</tr>
<tr>
<td>Decrease in provision</td>
<td>—</td>
<td>14</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(19)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>As at December 31,</strong></td>
<td>(713)</td>
<td>(182)</td>
</tr>
</tbody>
</table>

The amount of write-down of inventories in the year was USD 926 thousand (2019: USD 159 thousand).

### 14. Other current and non-current assets

#### Other current assets

<table>
<thead>
<tr>
<th>Accrued contract revenue</th>
<th>As at December 31</th>
<th>As at January 1,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>262</td>
<td>448</td>
</tr>
<tr>
<td>Deferred contract costs</td>
<td>18</td>
<td>241</td>
</tr>
<tr>
<td>Research tax credit receivable</td>
<td>863</td>
<td>127</td>
</tr>
<tr>
<td>Prepayments</td>
<td>1,084</td>
<td>1,670</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>300</td>
<td>1,141</td>
</tr>
<tr>
<td>Government grants receivable</td>
<td>66</td>
<td>60</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,602</td>
<td>3,785</td>
</tr>
</tbody>
</table>

#### Other non-current assets

<table>
<thead>
<tr>
<th>Lease deposits</th>
<th>As at December 31</th>
<th>As at January 1,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>775</td>
<td>373</td>
</tr>
<tr>
<td>Lease receivable</td>
<td>209</td>
<td>307</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financial non-current assets</th>
<th>As at December 31</th>
<th>As at January 1,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred contract costs</td>
<td>—</td>
<td>16</td>
</tr>
<tr>
<td>Research tax credit receivable</td>
<td>502</td>
<td>516</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,486</td>
<td>1,212</td>
</tr>
</tbody>
</table>
Accrued contract revenue
Details of the nature of accrued contract revenue as at December 31, 2020 and 2019 and are set out in note 3 “Revenue.”

Deferred contract costs
Details of the nature of deferred contract costs are set out in note 3 “Revenue.”

Research tax credits receivable
These represent government grants for research and development and innovation. See note 6, “Other operating income and (expense),” for further details.

15. Property, plant and equipment

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Leasehold improvements</th>
<th>Machinery and equipment</th>
<th>Computer hardware</th>
<th>Furniture and fixtures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at January 1, 2019</td>
<td>102</td>
<td>434</td>
<td>1,444</td>
<td>234</td>
<td>2,214</td>
</tr>
<tr>
<td>Additions</td>
<td>547</td>
<td>120</td>
<td>457</td>
<td>278</td>
<td>1,402</td>
</tr>
<tr>
<td>Disposals</td>
<td>(2)</td>
<td>(24)</td>
<td>(107)</td>
<td>(26)</td>
<td>(159)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>17</td>
<td>11</td>
<td>23</td>
<td>10</td>
<td>61</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td>664</td>
<td>541</td>
<td>1,817</td>
<td>496</td>
<td>3,518</td>
</tr>
<tr>
<td>Additions</td>
<td>201</td>
<td>19</td>
<td>101</td>
<td>130</td>
<td>451</td>
</tr>
<tr>
<td>Disposals</td>
<td>(50)</td>
<td>—</td>
<td>(266)</td>
<td>(54)</td>
<td>(370)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>75</td>
<td>55</td>
<td>147</td>
<td>51</td>
<td>328</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td>890</td>
<td>615</td>
<td>1,799</td>
<td>623</td>
<td>3,927</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated depreciation</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1, 2019</td>
<td>(55)</td>
<td>(167)</td>
<td>(707)</td>
<td>(129)</td>
<td>(1,058)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(74)</td>
<td>(109)</td>
<td>(415)</td>
<td>(85)</td>
<td>(683)</td>
</tr>
<tr>
<td>Disposals</td>
<td>2</td>
<td>23</td>
<td>107</td>
<td>26</td>
<td>158</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(3)</td>
<td>—</td>
<td>(15)</td>
<td>(4)</td>
<td>(22)</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td>(130)</td>
<td>(253)</td>
<td>(1,030)</td>
<td>(192)</td>
<td>(1,605)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(157)</td>
<td>(112)</td>
<td>(347)</td>
<td>(109)</td>
<td>(725)</td>
</tr>
<tr>
<td>Disposals</td>
<td>50</td>
<td>—</td>
<td>263</td>
<td>54</td>
<td>367</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(21)</td>
<td>(33)</td>
<td>(116)</td>
<td>(22)</td>
<td>(192)</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td>(258)</td>
<td>(398)</td>
<td>(1,230)</td>
<td>(269)</td>
<td>(2,155)</td>
</tr>
</tbody>
</table>

| Net at January 1, 2019   | 47                     | 267                     | 737               | 105                    | 1,156 |
| Net at December 31, 2019 | 534                    | 288                     | 787               | 304                    | 1,913 |
| Net at December 31, 2020 | 632                    | 217                     | 569               | 354                    | 1,772 |

There were no assets pledged, no impairment losses recognized, and no borrowing costs capitalized at December 31, 2020, December 31, 2019 or January 1, 2019.
16. Right-of-use assets and lease liabilities

The Group has recognized right-of-use assets and lease liabilities in respect of leases of office buildings.

**Right-of-use assets**

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1,</td>
<td>4,535</td>
<td>3,362</td>
</tr>
<tr>
<td>Additions</td>
<td>—</td>
<td>2,004</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1,033)</td>
<td>(863)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>265</td>
<td>32</td>
</tr>
<tr>
<td>December 31,</td>
<td>3,767</td>
<td>4,535</td>
</tr>
</tbody>
</table>

**Lease liabilities**

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1,</td>
<td>4,626</td>
<td>3,362</td>
</tr>
<tr>
<td>Current</td>
<td>967</td>
<td>544</td>
</tr>
<tr>
<td>Non-current</td>
<td>3,659</td>
<td>2,818</td>
</tr>
<tr>
<td>Additions</td>
<td>—</td>
<td>2,045</td>
</tr>
<tr>
<td>Cash outflows (principal and interest)</td>
<td>(1,101)</td>
<td>(945)</td>
</tr>
<tr>
<td>Interest</td>
<td>121</td>
<td>129</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>273</td>
<td>35</td>
</tr>
<tr>
<td>December 31,</td>
<td>3,919</td>
<td>4,626</td>
</tr>
<tr>
<td>Current</td>
<td>1,036</td>
<td>967</td>
</tr>
<tr>
<td>Non-current</td>
<td>2,883</td>
<td>3,659</td>
</tr>
</tbody>
</table>

Generally, lease terms for office buildings are between one and ten years. Any leases with terms less than 12 months and/or with low value are expensed in accordance with the IFRS 16 expedients for short-term leases and low-value leases. These expenses amounted to USD 539 thousand (2019: USD 421 thousand).

The Group has lease liabilities amounting to USD 3,919 thousand (2019: USD 4,626 thousand) that are linked to consumer price indices in Switzerland, the USA and France.

The future cash flow in relation to short-term leases and leases of low value assets is disclosed in note 31, “Commitments.”

The Group has several leases with extension and termination options. Management determines, on the basis of the business needs, whether they expect to exercise these options.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that is not readily determinable, the incremental borrowing rate (“IBR”) at the lease commencement date. The IBR is the rate of interest that the Group would have had to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. On the basis of this policy, the IBRs used by the Group to discount lease payments outstanding at December 31, 2020 in the countries in which it has recognized right-of-use assets and lease liabilities have been in the range of 2.6% to 3.5% (2019: 2.6% to 3.5%).
## 17. Intangible assets

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Goodwill</th>
<th>ERP software implementation</th>
<th>Capitalized internal software development costs</th>
<th>Total intangible assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at January 1, 2019</td>
<td>7,691</td>
<td>849</td>
<td>—</td>
<td>8,540</td>
</tr>
<tr>
<td>Additions</td>
<td>—</td>
<td>1,889</td>
<td>—</td>
<td>1,889</td>
</tr>
<tr>
<td>Disposal / write-off</td>
<td>—</td>
<td>(46)</td>
<td>—</td>
<td>(46)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>143</td>
<td>69</td>
<td>—</td>
<td>212</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td>7,834</td>
<td>2,761</td>
<td>—</td>
<td>10,595</td>
</tr>
<tr>
<td>Additions</td>
<td>—</td>
<td>324</td>
<td>2,436</td>
<td>2,760</td>
</tr>
<tr>
<td>Disposal / write-off</td>
<td>—</td>
<td>(286)</td>
<td>—</td>
<td>(286)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>764</td>
<td>272</td>
<td>185</td>
<td>1,221</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td>8,598</td>
<td>3,071</td>
<td>2,621</td>
<td>14,290</td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at January 1, 2019</td>
<td></td>
<td>(30)</td>
<td>—</td>
<td>(30)</td>
</tr>
<tr>
<td>Amortization</td>
<td>—</td>
<td>(367)</td>
<td>—</td>
<td>(367)</td>
</tr>
<tr>
<td>Disposal</td>
<td>—</td>
<td>46</td>
<td>—</td>
<td>46</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>—</td>
<td>(8)</td>
<td>—</td>
<td>(8)</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td></td>
<td>(359)</td>
<td>—</td>
<td>(359)</td>
</tr>
<tr>
<td>Amortization</td>
<td>—</td>
<td>(521)</td>
<td>(111)</td>
<td>(632)</td>
</tr>
<tr>
<td>Disposal</td>
<td>—</td>
<td>60</td>
<td>—</td>
<td>60</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>—</td>
<td>(69)</td>
<td>(8)</td>
<td>(77)</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td></td>
<td>(889)</td>
<td>(119)</td>
<td>(1,008)</td>
</tr>
<tr>
<td><strong>Net at January 1, 2019</strong></td>
<td>7,691</td>
<td>819</td>
<td>—</td>
<td>8,510</td>
</tr>
<tr>
<td><strong>Net at December 31, 2019</strong></td>
<td>7,834</td>
<td>2,402</td>
<td>—</td>
<td>10,236</td>
</tr>
<tr>
<td><strong>Net at December 31, 2020</strong></td>
<td>8,598</td>
<td>2,182</td>
<td>2,502</td>
<td>13,282</td>
</tr>
</tbody>
</table>

**Goodwill**

Goodwill arises from the Group's acquisition of Interactive Biosoftware in June 2018. Through this acquisition the Group was able to add Alamut (a health technology diagnostic) to its existing SOPHIA platform.

Goodwill is tested for impairment annually and also when there is an indication of impairment. No impairment charge has been recorded in relation to goodwill.

As the Group operates as one segment (see note 2, “Segment reporting”), goodwill has to be tested by considering its recoverability in terms of the entire business. Management assesses the recoverable value of goodwill by comparing the value of the Group equity value, either inferred from the prices of share issues or based on discounted cash flow forecasts, with the net assets as reported in its financial statements.

The value of the Group equity as of January 1, 2019 was based on the application of an option pricing model, using the back solve method, to a share transaction in December 2018. The values as of December 31, 2019 and 2020 were based on discounted cash flow projections, which in turn were based on historical results and ratios updated to
reflect management’s expectations of future growth and profitability and discounted using a weighted average cost of capital derived from an analysis of comparable selected public companies. Critically, the values based on a discounted cash flow approach were found to be consistent with a value based on the share transaction in September 2020.

As of December 31, 2020, the estimated equity value of the Company was USD 465,307 thousand, which exceeds the reported net assets of the Group of USD 100,510 thousand at that date by USD 364,797 thousand.

As of December 31, 2019, the estimated equity value of the Company was USD 252,730 thousand, which exceeds the reported net assets of the Group of USD 22,563 thousand at that date by USD 230,167 thousand.

As of January 1, 2019, the estimated equity value of the Company was USD 208,249 thousand, which exceeds the reported net assets of the Group of USD 54,818 thousand at that date by USD 153,431 thousand.

On the basis of the analyses performed, the Group concludes that the recoverable amount exceeds the carrying amount of the goodwill and no impairment is needed as of December 31, 2020, December 31, 2019 and January 1, 2019.

**ERP software implementation costs**

The Group has capitalized the fees paid to external consultants to assist in the setting up of ERP software.

**Capitalized internally generated software development costs**

The Group considers that it is only since the beginning of 2020 that development costs have fulfilled the criteria for recognition as intangible assets set out in IAS 38.

**Accounting policy**

The Group accounts for the costs of computer software obtained or developed for internal use in accordance with IAS 38, “Intangible assets.” All work performed by the Group’s research and development personnel is tracked and allocated to codes based on the nature of the work done. The hours spent are costed on the basis of the related salaries, benefits and share-based compensation. The cost of work attributable to the development of new data analytics solutions and services or to the improvement or enhancement of existing solutions and services is capitalized, once it is evident that the project is technically and financially feasible and that it will bring economic benefits to the Group. Capitalized software development costs are amortized using the straight-line method over an estimated life of five years.

Costs incurred for research, for development projects that do not meet the capitalization criteria, for maintenance and for minor modifications are expensed when incurred and presented as research and development costs. Other, administrative costs are expensed and presented as general and administrative costs.

### 18. Accounts payable

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>1,281</td>
<td>1,729</td>
<td>851</td>
</tr>
<tr>
<td>Employee related payables</td>
<td>3,232</td>
<td>2,655</td>
<td>884</td>
</tr>
<tr>
<td>VAT and sales tax</td>
<td>1,394</td>
<td>1,016</td>
<td>628</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,907</strong></td>
<td><strong>5,400</strong></td>
<td><strong>2,363</strong></td>
</tr>
</tbody>
</table>
19. Accrued expenses

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
<td>5,198</td>
<td>4,060</td>
</tr>
<tr>
<td>Professional fees</td>
<td>2,380</td>
<td>1,247</td>
</tr>
<tr>
<td>IT support</td>
<td>753</td>
<td>103</td>
</tr>
<tr>
<td>Legal fee</td>
<td>462</td>
<td>707</td>
</tr>
<tr>
<td>Other</td>
<td>288</td>
<td>785</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,081</strong></td>
<td><strong>6,902</strong></td>
</tr>
</tbody>
</table>

20. Other current and non-current liabilities

Share data have been revised to give effect to the share split explained in note 35, “Significant accounting policies—Basis of preparation—Share split.”

**Other current liabilities**

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnout retention bonus</td>
<td>—</td>
<td>1,666</td>
</tr>
<tr>
<td>Other financial liabilities, current</td>
<td>—</td>
<td>1,666</td>
</tr>
<tr>
<td>Deferred government grant income for regional aid</td>
<td>48</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>48</td>
<td>1,666</td>
</tr>
</tbody>
</table>

**Other non-current liabilities**

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnout retention bonus</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Derivative</td>
<td>1,024</td>
<td>557</td>
</tr>
<tr>
<td>Other financial liabilities, non-current</td>
<td>1,024</td>
<td>557</td>
</tr>
<tr>
<td>Provisions</td>
<td>304</td>
<td>171</td>
</tr>
<tr>
<td>Deferred government grant income</td>
<td>50</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,378</td>
<td>728</td>
</tr>
</tbody>
</table>

The earnout retention bonus of USD 1,666 thousand was owed to the previous owner of Interactive Biosoftware, a company purchased by the Group in 2018. It was based on an agreed sum of EUR 1,500 thousand plus interest and was to be paid out as deferred purchase consideration and remuneration.

The derivative included in the above table represents the fair value of a success fee payable to TriplePoint Capital LLC, the providers of a loan repaid in 2020 (see note 21, “Borrowings”) upon an initial public offering of the Company or a sale of the Company. The amount of the success fee will be computed as the excess of the value per share realized in such a transaction over a strike price of CHF 3.65 multiplied by 6.5% of the committed loan facility of EUR 10 million translated to CHF at a rate of 1.16 and divided by the strike price of CHF 3.65. The approach used to determine the fair value of the derivative is based on a Monte Carlo simulation.
The derivative is revalued at each reporting date and any movement is taken directly to the statement of income/loss.

Key assumptions in the valuation of this derivative include:

<table>
<thead>
<tr>
<th></th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity value of the Company (in USD thousands)</td>
<td>465,307</td>
<td>252,730</td>
<td>208,249</td>
</tr>
<tr>
<td>Expected time of the sale or IPO</td>
<td>75%—3 years</td>
<td>25%—0.75 years</td>
<td>4 years</td>
</tr>
<tr>
<td>Volatility</td>
<td>50%</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

The equity value of the Company has been derived in the same manner as that used in the testing of goodwill for impairment, as explained in note 17, “Intangible assets.”

**Sensitivity analysis**

If the key assumptions were varied as indicated below, the derivative would have the values set out in the table below.

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity value of the Company +10%</td>
<td>1,179</td>
<td>661</td>
<td>530</td>
</tr>
<tr>
<td>Equity value of the Company -10%</td>
<td>864</td>
<td>458</td>
<td>367</td>
</tr>
<tr>
<td>Expected time of the IPO or sale 3 months earlier</td>
<td>1,039</td>
<td>565</td>
<td>452</td>
</tr>
<tr>
<td>Expected time of the IPO or sale 3 months later</td>
<td>1,016</td>
<td>548</td>
<td>435</td>
</tr>
<tr>
<td>Volatility +10%</td>
<td>1,055</td>
<td>601</td>
<td>501</td>
</tr>
<tr>
<td>Volatility -10%</td>
<td>993</td>
<td>518</td>
<td>389</td>
</tr>
</tbody>
</table>

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Deferred government grant income relates entirely to grants for regional aid. Details of the nature and source of deferred income from government grants for regional aid and of the related accounting policy are set out in note 6, “Other operating income and (expense).”

**Tax Provisions**

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020 Sales tax / VAT</th>
<th>Uncertain tax position</th>
<th>2019 Sales tax / VAT</th>
<th>Uncertain tax position</th>
</tr>
</thead>
<tbody>
<tr>
<td>At January 1,</td>
<td>20</td>
<td>151</td>
<td>—</td>
<td>72</td>
</tr>
<tr>
<td>Increase</td>
<td>38</td>
<td>95</td>
<td>20</td>
<td>79</td>
</tr>
<tr>
<td>Reversals</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>At December 31,</td>
<td>58</td>
<td>246</td>
<td>20</td>
<td>151</td>
</tr>
</tbody>
</table>

F-29
21. Borrowings

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 1, 2019</strong></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>1,943</td>
</tr>
<tr>
<td>Non-current</td>
<td>3,910</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>(1,967)</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>715</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(715)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(48)</td>
</tr>
<tr>
<td><strong>December 31, 2019</strong></td>
<td>3,838</td>
</tr>
<tr>
<td>Current</td>
<td>2,225</td>
</tr>
<tr>
<td>Non-current</td>
<td>1,613</td>
</tr>
<tr>
<td><strong>January 1, 2020</strong></td>
<td>3,838</td>
</tr>
<tr>
<td>New borrowing proceeds</td>
<td>15,839</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>(163)</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>513</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(435)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>267</td>
</tr>
<tr>
<td><strong>December 31, 2020</strong></td>
<td>3,330</td>
</tr>
<tr>
<td>Current</td>
<td>2,873</td>
</tr>
<tr>
<td>Non-current</td>
<td>457</td>
</tr>
</tbody>
</table>

**Accounting policy**

All loans are accounted for on an amortized cost basis using the effective interest rate method. COVID-19 loans with below-market interest rates are first measured at fair value with the excess of the loan proceeds over the fair value being recognized as deferred government grant income and subsequently released over the life of the loan.

**EUR 5.15 million 9.75% loan**

On June 18, 2018, the Company signed the Plain English Growth Capital Loan Agreement with Triple Point Capital LLC. The Company issued a Plain English Growth Capital Promissory Note and received a loan of EUR 5,150 thousand. The purpose of the loan was to finance the acquisition of Interactive Biosoftware, a company based in France. The loan bore an annual interest of 9.75% (Prime Rate plus 4.75%) and the Company agreed to pay a terminal amount of EUR 322 thousand equal to 6.25% of this Promissory Note, on June 1, 2021 (end of term payment). This 3-year borrowing was payable in monthly installments with principal repayments starting as of January 1, 2019. The loan was subject to a number of general covenants. The interest expense was calculated by applying the effective interest rate method to the initial fair value of the loan and to the actual cash outflows resulting from the payment of interest and repayment of the principal. The loan was subsequently carried at amortized cost.

In addition, the Company agreed to pay to TriplePoint Capital LLC a success fee upon an initial public offering of the Company or a sale of the Company. The obligation to make this success fee payment has been accounted for.
as an embedded derivative. See note 20, “Other current and non-current liabilities” for how this has been accounted for.

The loan was repaid early, on November 16, 2020, at an amount equivalent to the principal, plus both the interest accrued at the nominal amount up to the date of repayment and the terminal payment. However, the Company still has the conditional obligation to pay to TriplePoint Capital LLC the success fee explained in note 20, “Other current liabilities and non-current liabilities.”

**COVID loans**

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

The following loans were granted:

- **On March 26, 2020,** SOPHiA GENETICS SA was granted a CHF 500 thousand loan from Credit Suisse maturing on March 26, 2025. This loan carried an interest of 0% and was scheduled to be repaid in eight equal semi-annual installments starting on September 26, 2021. The Company decided to early repay this loan on March 26, 2021 using cash on hand.

- **On May 29, 2020,** SOPHiA GENETICS SAS was granted a EUR 1,400 thousand loan from Credit Agricole Pyrénées Gascogne maturing on May 31, 2021. This loan carries an interest of 0% and is subject to a 0.25% state guarantee fee.

- **On May 29, 2020,** SOPHiA GENETICS SA was granted a CHF 1,000 thousand loan from Credit Suisse maturing on January 31, 2021. This loan carried an interest of 1.175% and was repaid on maturity.

During the two years ended December 31, 2020 and 2019, the Group was not subject to any externally imposed capital requirements.

**22. Post-employment benefits**

The Group operates defined benefit and defined contribution pension plans. Funded schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Group has a funded defined benefit plan in Switzerland, an unfunded defined benefit plan in France and a defined contribution plans in the US. The Group has no occupational pension plans in the UK and Brazil.

**Defined benefit plans**

**Swiss pension plan**

The Company contracted with the Swiss Life Collective BVG Foundation based in Zurich for the provision of occupational benefits. All benefits in accordance with the regulations are reinsured in their entirety with Swiss Life SA within the framework of the corresponding contract. This pension solution fully reinsures the risks of

F-31
disability, death and longevity with Swiss Life. Swiss Life invests the vested pension capital and provides a 100% capital and interest guarantee. The pension plan is entitled to an annual bonus from Swiss Life comprising the effective savings, risk and cost results.

Although the amount of ultimate pension benefit is not defined, certain legal obligations of the plan create constructive obligations on the employer to pay further contributions to fund an eventual deficit; this results in the plan nevertheless being accounted for as a defined benefit plan.

**French pension plan**

In France, the bulk of pensions are paid by national pension schemes, which are unfunded. In addition, French employers are obliged by law to pay a retirement indemnity. Its amount depends on the last salary of the employee and on the period of activity with its employer. Rights to this benefit are acquired during the service life with the same employer on the condition that the employee will be with its employer at retirement date; it means that the rights are only vested on retirement date. This indemnity is in substance a defined benefit plan.

The following tables provide additional details on the defined pension plans.

### Funded status

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31</th>
<th>As at January 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Present value of defined benefit obligation</td>
<td>(15,938)</td>
<td>(10,778)</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>10,780</td>
<td>6,715</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(5,158)</td>
<td>(4,063)</td>
</tr>
</tbody>
</table>

### Movement in the defined benefit obligation

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020 Funded</th>
<th>2020 Unfunded</th>
<th>2019 Total</th>
<th>2020 Funded</th>
<th>2020 Unfunded</th>
<th>2019 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At January 1,</td>
<td>(10,703)</td>
<td>(75)</td>
<td>(10,778)</td>
<td>(6,849)</td>
<td>(44)</td>
<td>(6,893)</td>
</tr>
<tr>
<td>Service Cost</td>
<td>(1,547)</td>
<td>(49)</td>
<td>(1,596)</td>
<td>(843)</td>
<td>(26)</td>
<td>(869)</td>
</tr>
<tr>
<td>of which current service cost</td>
<td>(1,435)</td>
<td>(49)</td>
<td>(1,484)</td>
<td>(914)</td>
<td>(26)</td>
<td>(940)</td>
</tr>
<tr>
<td>of which past service cost</td>
<td>(112)</td>
<td>—</td>
<td>(112)</td>
<td>71</td>
<td>—</td>
<td>71</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(6)</td>
<td>(1)</td>
<td>(7)</td>
<td>(68)</td>
<td>(1)</td>
<td>(69)</td>
</tr>
<tr>
<td>Actuarial gains/(losses)</td>
<td>244</td>
<td>(30)</td>
<td>214</td>
<td>(1,380)</td>
<td>(5)</td>
<td>(1,385)</td>
</tr>
<tr>
<td>Actual plan participants’ contributions</td>
<td>(771)</td>
<td>—</td>
<td>(771)</td>
<td>(519)</td>
<td>—</td>
<td>(519)</td>
</tr>
<tr>
<td>Transfers (in)/out due to (joiners)/leavers</td>
<td>(1,663)</td>
<td>—</td>
<td>(1,663)</td>
<td>(808)</td>
<td>—</td>
<td>(808)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(1,327)</td>
<td>(10)</td>
<td>(1,337)</td>
<td>(236)</td>
<td>1</td>
<td>(235)</td>
</tr>
<tr>
<td>At December 31,</td>
<td>(15,773)</td>
<td>(165)</td>
<td>(15,938)</td>
<td>(10,703)</td>
<td>(75)</td>
<td>(10,778)</td>
</tr>
</tbody>
</table>

The service cost and interest expense are charged to the statement of income/loss as pension cost. Actuarial gains/losses are credited/charged to other comprehensive income/loss as defined benefit plan remeasurements.

At December 31, 2020, the Swiss and French plans had respectively 173 and 86 active members (2019: 160 and 64). The Swiss plan currently has no retired members and the French plan, being only a termination payment plan, cannot have any retired members.
Movement in plan assets (funded plan only)

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At January 1,</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>4</td>
<td>53</td>
</tr>
<tr>
<td>Return on plan assets, excl. interest income</td>
<td>(45)</td>
<td>(93)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(42)</td>
<td>(29)</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>819</td>
<td>519</td>
</tr>
<tr>
<td>Employee contributions</td>
<td>771</td>
<td>519</td>
</tr>
<tr>
<td>Transfers in/(out) due to joiners/(leavers)</td>
<td>1,663</td>
<td>808</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>895</td>
<td>141</td>
</tr>
<tr>
<td><strong>At December 31,</strong></td>
<td>10,780</td>
<td>6,715</td>
</tr>
</tbody>
</table>

The actual return on plan assets, excluding interest income measured at the discount rate, is recognized in other comprehensive income/loss within defined benefit plan remeasurements.

Plan assets include the following:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>319</td>
<td>225</td>
</tr>
<tr>
<td>Insurance policies</td>
<td>10,461</td>
<td>6,490</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,780</td>
<td>6,715</td>
</tr>
</tbody>
</table>

The Swiss Life Collective BVG Foundation, to which the Swiss pension plan is affiliated, manages its funds in the interests of all members, with due attention to the priorities of liquidity, security and return. The Company’s pension plan benefits from the economies of scale and diversification of risk available through this affiliation. The Company has no influence over the investment policy.

Pension cost recognized in statement of income/loss

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31, 2020</th>
<th>Year ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funded</td>
<td>Unfunded</td>
</tr>
<tr>
<td>Service cost</td>
<td>(1,547)</td>
<td>(49)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(6)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Total recognized</strong></td>
<td>(1,553)</td>
<td>(50)</td>
</tr>
</tbody>
</table>

F-33
Defined benefit plan remeasurements recognized in other comprehensive income/(loss)

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31, 2020</th>
<th>Year ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funded</td>
<td>Unfunded</td>
</tr>
<tr>
<td>Changes in demographic assumptions</td>
<td>1,039</td>
<td>—</td>
</tr>
<tr>
<td>Changes in financial assumptions</td>
<td>157</td>
<td>(16)</td>
</tr>
<tr>
<td>Experience adjustments</td>
<td>(952)</td>
<td>(14)</td>
</tr>
<tr>
<td>Total actuarial gains/(losses)</td>
<td>244</td>
<td>(30)</td>
</tr>
<tr>
<td>Return on plan assets</td>
<td>(45)</td>
<td>—</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total recognized</strong></td>
<td>212</td>
<td>(28)</td>
</tr>
</tbody>
</table>

The positive impact of changes in demographic assumptions in 2020 was due principally to an increase in the expected employee turnover rate from 11% to 15%. This implies that more members are expected to leave the plan before pensionable age.

The negative impact of changes in financial assumptions in 2019 was due principally to the negative effect of the reduction in the discount rate from 0.95% to 0.35% at the end of 2019. The discount rate was reduced further at the end of 2020, from 0.35% to 0.20%, but this only partially offset the positive effect of the 2020 reduction in the expected rate of salary increase from 1.5% to 1.0%.

The negative experience adjustments in 2019 and 2020 were due largely to the shortfall between the additional defined benefit obligation attributable to new joiners and the assets that they transferred into the plan.

Key actuarial assumptions by plan

**Discount rate**

In estimating the defined benefit obligation, the discount rates used were, for the Swiss plan, 0.20% (2019: 0.35%) and, for the French plan, 0.70% (2019: 1.15%).

**Expected rate of salary increase**

The expected rate of annual salary increase was assumed to be, for the Swiss plan 1.00% (2019: 1.50%) and for the French plan 2.30% (2019: 2.30%).

**Pension plan modified duration**

The weighted average modified duration of the Swiss plan is 18.8 years (2019: 22.4 years) and of the French plan 26 years (2019: 25 years).

**Interest rates**

For the Swiss plan, the interest on old age accounts is based, for the LPP account, on the LPP interest rate, which was 1.00% (2019: 1.00%), and, for the extra mandatory part, is equivalent to the discount rate, which was 0.35% (2019: 0.20%).

**Inflation**

For the Swiss plan, the expected annual rate of inflation is based on the inflation forecast of the Swiss National Bank and was assumed to be 1.00% (2019: 0.50%).
Mortality tables

Assumptions regarding future mortality experience are set based on actuarial advice provided in accordance with published statistics and experience and are based on the mortality generational tables BGV 2015 (Swiss) and TH/TF 00-02 (French). For the Swiss plan, the average life expectancy in years after retirement of a pensioner retiring at age 65 (male) and 64 (female) on the balance sheet date is, respectively, 22.72 (2019: 22.61) and 24.76 (2019: 24.65).

Sensitivity analysis

The following tables demonstrate the sensitivity of the pension defined benefit obligations to changes in the discount rate, expected rates of salary increase, interest credited on savings accounts, inflation and life expectancy at retirement age.

Funded plans

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 25 basis points</td>
<td>(637)</td>
<td>(512)</td>
</tr>
<tr>
<td>Decrease of 25 basis points</td>
<td>697</td>
<td>574</td>
</tr>
<tr>
<td><strong>Expected rates of salary increases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 25 basis points</td>
<td>137</td>
<td>118</td>
</tr>
<tr>
<td>Decrease of 25 basis points</td>
<td>(134)</td>
<td>(113)</td>
</tr>
<tr>
<td><strong>Interest rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 25 basis points</td>
<td>206</td>
<td>157</td>
</tr>
<tr>
<td>Decrease of 25 basis points</td>
<td>(199)</td>
<td>(149)</td>
</tr>
<tr>
<td><strong>Inflation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 25 basis points</td>
<td>134</td>
<td>124</td>
</tr>
<tr>
<td>Decrease of 25 basis points</td>
<td>(130)</td>
<td>(118)</td>
</tr>
<tr>
<td><strong>Life expectancy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 1 year</td>
<td>177</td>
<td>140</td>
</tr>
<tr>
<td>Decrease of 1 year</td>
<td>(176)</td>
<td>(138)</td>
</tr>
</tbody>
</table>

Unfunded plans

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 50 basis points</td>
<td>(18)</td>
<td>(8)</td>
</tr>
<tr>
<td>Decrease of 50 basis points</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td><strong>Expected rates of salary increases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase of 50 basis points</td>
<td>20</td>
<td>9</td>
</tr>
<tr>
<td>Decrease of 50 basis points</td>
<td>(18)</td>
<td>(8)</td>
</tr>
</tbody>
</table>

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same
method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Future employer contributions**

Expected employer contributions to the Swiss defined benefit pension plan for the year ending December 31, 2021 amount to USD 1,015 thousand.

**Defined contribution plans**

**USA pension plan**

The Group has a multiple employer 401(k) defined contribution plan in the USA.

The expense recognized in respect of the defined contribution plan in the USA in the year ended December 31, 2020 was USD 1 thousand (2019: USD 0).

**23. Share capital and share premium**

Share data have been revised to give effect to the share split explained in note 35, “Significant accounting policies—Basis of preparation—Share split.”

As at December 31, 2020, the issued share capital was composed of 47,955,700 (2019: 38,319,760) shares of CHF 0.05 each.

<table>
<thead>
<tr>
<th>Issued share capital</th>
<th>As at December 31, 2020</th>
<th>As at December 31, 2019</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares registered in the commercial register</td>
<td>23,180,500</td>
<td>22,381,000</td>
<td>22,381,000</td>
</tr>
<tr>
<td>Ordinary shares not registered in the commercial register</td>
<td>214,000</td>
<td>694,500</td>
<td>—</td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>23,394,500</td>
<td>23,075,500</td>
<td>22,381,000</td>
</tr>
<tr>
<td>Preferred D</td>
<td>8,230,220</td>
<td>8,230,220</td>
<td>8,230,220</td>
</tr>
<tr>
<td>Preferred E</td>
<td>7,014,040</td>
<td>7,014,040</td>
<td>7,014,040</td>
</tr>
<tr>
<td>Preferred F</td>
<td>9,316,940</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>47,955,700</td>
<td>38,319,760</td>
<td>37,625,260</td>
</tr>
</tbody>
</table>

Share issuances on the exercise of share options are registered in batches after issuance. All issuances of share capital or capital contributions are shown net of transaction costs. Each share carries one voting right.

In the course of 2019, upon the exercise of share options, the Company issued 694,500 ordinary shares at a weighted average exercise price per share of USD 2.53 which resulted in gross proceeds of USD 1,760 thousand.

In the course of 2020, upon the exercise of share options, the Company issued 319,000 ordinary shares at a weighted average exercise price per share of USD 3.36, which resulted in gross proceeds of USD 1,072 thousand.

On May 29, 2020 the Company registered 799,500 ordinary shares in respect of 694,500 ordinary shares issued on the exercise of options during 2019, as well as 105,000 ordinary shares issued on the exercise of options in 2020.

F-36
On June 25, 2020, the Company issued 5,664,480 preferred F shares at a price per share of USD 11.53 per share, which resulted in gross proceeds of USD 65,319 thousand and, after deduction of transaction costs of USD 654 thousand, in net proceeds of USD 64,665 thousand.

On September 23, 2020, the Company issued 3,652,460 preferred F shares at a price per share of USD 11.89 per share, which resulted in gross proceeds of USD 43,412 thousand and, after deduction of transaction costs of USD 434 thousand, in net proceeds of USD 42,978 thousand.

Pursuant to the Articles of Association, in the event of certain defined liquidation events, holders of the preferred F shares are entitled to receive the higher of (i) a pro rata share of the liquidation proceeds and (ii) one time the subscription price paid for the preferred F shares.

Pursuant to the Articles of Association, in the event of certain defined liquidation events, and subject to the liquidation preference of the preferred F shares, holders of the preferred E shares are entitled to receive the higher of (i) a pro rata share of the liquidation proceeds and (ii) one time the subscription price paid for the preferred E shares.

Pursuant to the Articles of Association, in the event of certain defined liquidation events, and subject to the liquidation preferences of the preferred F shares and of the preferred E shares, holders of the preferred D shares are entitled to receive the higher of (i) a pro rata share of the liquidation proceeds and (ii) one time the subscription price paid for the preferred D shares.

At the next ordinary Annual General Meeting, the Board of Directors will not propose any dividend in respect of the year ended December 31, 2020 (2019: nil).

### 24. Other reserves

Other reserves include the following:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Share-based compensation reserves</th>
<th>Currency translation differences</th>
<th>Defined benefit plan remeasurements</th>
<th>Other reserves total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1, 2019</td>
<td>872</td>
<td>—</td>
<td>(919)</td>
<td>(47)</td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td>—</td>
<td>272</td>
<td>(1,523)</td>
<td>(1,251)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>717</td>
<td>—</td>
<td>—</td>
<td>717</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td>1,589</td>
<td>272</td>
<td>(2,442)</td>
<td>(581)</td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td>—</td>
<td>7,338</td>
<td>184</td>
<td>7,522</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>1,359</td>
<td>—</td>
<td>—</td>
<td>1,359</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td>2,948</td>
<td>7,610</td>
<td>(2,258)</td>
<td>8,300</td>
</tr>
</tbody>
</table>

### 25. Share-based compensation

#### The plans

Share data have been revised to give effect to the share split explained in note 35, “Significant accounting policies—Basis of preparation—Share split.”

The Group has two share option plans; the Incentive Share Option Plan, launched in September 2013 (the “2013 ISOP”), and the 2019 Incentive Share Option Plan, launched in March 2019 (the “2019 ISOP”). Under these plans, directors may offer options to directors, employees and advisors. The exercise price of the share options is set at the time they are granted. Options, once vested, can be exchanged for an equal number of ordinary shares.
The options have a life of ten years. Options under the 2013 ISOP vest 50% after two years and a further 50% after one more year. Options under the 2019 ISOP vest 25% per year after each of the first four years. As at December 31, 2020, under both plans, in the event of a change of control or an initial public offering (“IPO”), all unvested shares vest immediately. On April 22, 2021, the Board amended the vesting rights in the event of an initial public offering (see note 34, “Events after the reporting date,” for further details). For the purposes of recognizing the cost of share-based compensation, the fair value of options granted has been allocated to reporting periods on the basis of the vesting conditions effective at the time of grant.

Movement in share options during the years ended December 31

### 2013 ISOP

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of options</td>
<td>Weighted average exercise price (in USD)</td>
<td>Number of options</td>
<td>Weighted average exercise price (in USD)</td>
</tr>
<tr>
<td>At January 1</td>
<td>2,026,560</td>
<td>2.95</td>
<td>2,751,060</td>
<td>2.88</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
<td>—</td>
<td>20,000</td>
<td>3.16</td>
</tr>
<tr>
<td>Forfeited</td>
<td>—</td>
<td>—</td>
<td>(50,000)</td>
<td>3.16</td>
</tr>
<tr>
<td>Exercised</td>
<td>(275,000)</td>
<td>3.10</td>
<td>(694,500)</td>
<td>2.51</td>
</tr>
<tr>
<td>At December 31</td>
<td>1,751,560</td>
<td>3.10</td>
<td>2,026,560</td>
<td>2.95</td>
</tr>
<tr>
<td>Exercisable at December 31</td>
<td>1,385,060</td>
<td>3.01</td>
<td>833,560</td>
<td>2.53</td>
</tr>
</tbody>
</table>

### 2019 ISOP

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of options</td>
<td>Weighted average exercise price (in USD)</td>
<td>Number of options</td>
<td>Weighted average exercise price (in USD)</td>
</tr>
<tr>
<td>At January 1</td>
<td>679,000</td>
<td>4.02</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Granted</td>
<td>1,393,000</td>
<td>4.22</td>
<td>679,000</td>
<td>4.02</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(55,500)</td>
<td>4.22</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Exercised</td>
<td>(44,000)</td>
<td>4.22</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>At December 31</td>
<td>1,972,500</td>
<td>4.22</td>
<td>679,000</td>
<td>4.02</td>
</tr>
<tr>
<td>Exercisable at December 31</td>
<td>115,760</td>
<td>4.22</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Share options outstanding at year end

### 2013 ISOP

Options outstanding at the end of the year under the 2013 ISOP expire between 2021 and 2029.

The weighted average remaining contractual life of options outstanding at the end of the period is 6.39 years (2019: 7.36 years).

### 2019 ISOP

Options outstanding at the end of the year under the 2019 ISOP expire between 2029 and 2030.
The weighted average remaining contractual life of options outstanding at the end of the period is 9.11 years (2019: 9.63 years).

**Measuring the cost of share options**

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

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

The Company has used an independent valuation firm to assist in calculating the fair value of the award grants per participant. The key inputs used in the valuation model for the stock options are outlined below.

### ISOP 2013

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price at grant date (USD)</td>
<td>3.32</td>
</tr>
<tr>
<td>Expected life of share options (years)</td>
<td>6.50</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>40.70%</td>
</tr>
<tr>
<td>Risk free interest rate</td>
<td>(0.46%)</td>
</tr>
<tr>
<td>Forfeiture rate</td>
<td>5.00%</td>
</tr>
<tr>
<td>Dividend yield (%)</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### ISOP 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price at grant date (USD)</td>
<td>4.36—4.87</td>
<td>3.32 and 4.16</td>
</tr>
<tr>
<td>Expected life of share options (years)</td>
<td>5.67—6.43</td>
<td>6.43—6.91</td>
</tr>
<tr>
<td>Expected volatility</td>
<td>39.8%—43.6%</td>
<td>39.7%—40.7%</td>
</tr>
<tr>
<td>Risk free interest rate</td>
<td>(0.53%)—(0.80%)</td>
<td>(0.47%)—(0.85%)</td>
</tr>
<tr>
<td>Forfeiture rate</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Dividend yield (%)</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

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

- By reference to a contemporaneous transaction involving another class of share, using an adjusted form of the Black-Scholes option pricing model as described above, and considering the timing, amount, liquidation preferences and dividend rights of issues of other classes of shares.
- On the basis of discounted cash flow forecasts, where there was no contemporaneous or closely contemporaneous transaction in another class of share and the time interval was too large to permit an assumption that there had been no significant change in the Group's equity value.
The weighted average fair value of options granted during the year was:

<table>
<thead>
<tr>
<th>In USD</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 ISOP</td>
<td>—</td>
<td>1.33</td>
</tr>
<tr>
<td>2019 ISOP</td>
<td>1.75</td>
<td>1.24</td>
</tr>
</tbody>
</table>

**Recognizing the cost of share options**

At each reporting date, the Company takes a charge for the vested options granted and for partially earned but non-vested portions of options granted. This results in a front-loaded charge to the statement of income/loss. In addition, at each reporting date the Company reappraises its estimate of the likelihood and date of a future transaction that would cause all outstanding options to vest and, if necessary, accelerates the recognition of the unrecognized cost in the statement of income/loss. The Group accounts for these plans as equity-settled. The charge to the statement of income/loss therefore results in a corresponding credit being booked to “Other reserves” within equity.

Movements in the share-based compensation reserve were as follows:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2013 ISOP</th>
<th>2019 ISOP</th>
<th>Share-based compensation total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1, 2019</td>
<td>859</td>
<td>13</td>
<td>872</td>
</tr>
<tr>
<td>Movement in the year</td>
<td>378</td>
<td>339</td>
<td>717</td>
</tr>
<tr>
<td>As at December 31, 2019</td>
<td>1,237</td>
<td>352</td>
<td>1,589</td>
</tr>
<tr>
<td>Movement in the year</td>
<td>124</td>
<td>1,235</td>
<td>1,359</td>
</tr>
<tr>
<td>As at December 31, 2020</td>
<td>1,361</td>
<td>1,587</td>
<td>2,948</td>
</tr>
</tbody>
</table>

The charge recorded by the Group for share-based compensation in 2019 and 2020 does not include any expense in respect of grants made before January 1, 2016, as such options would have vested before January 1, 2019, leaving no residual amounts of cost to be recognized after that date. As the Group adopted IFRS only from January 1, 2019, the cumulative amounts recorded by the Group for share-based compensation at that date also do not include any expense in respect of grants made before January 1, 2016.

**Commitment to grant options to CEO on IPO**

In addition to the options granted, as set out above, the Board committed on November 29, 2018 to award to the CEO 300,000 share options, if the Group completed an IPO that valued the Group at a minimum of USD 1.0 billion. No other terms and conditions were specified, although it was assumed that the strike price would be equal to the IPO share price and that there could be further vesting conditions in terms of service beyond the IPO date. The fair value of such options, measured on this basis and applying the same valuation approach as for other options, was calculated to be:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2020</th>
<th>December 31, 2019</th>
<th>January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of commitment to issue options (USD)</td>
<td>195 thousand</td>
<td>106 thousand</td>
<td>97 thousand</td>
</tr>
</tbody>
</table>

No expense was recognized in the periods under review as an IPO could not be regarded as more likely than not.
26. Cash flow

Non-cash items of income and expense

<p>| In USD thousands                      | Year Ended December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share-based compensation</td>
<td>1,359</td>
<td>717</td>
</tr>
<tr>
<td>Intangible assets write-off</td>
<td>226</td>
<td>—</td>
</tr>
<tr>
<td>Movements in provisions, pensions and government grants</td>
<td>1,203</td>
<td>580</td>
</tr>
<tr>
<td>Research tax credit</td>
<td>(763)</td>
<td>(447)</td>
</tr>
<tr>
<td><strong>Total other non-cash items of income and expense</strong></td>
<td><strong>2,025</strong></td>
<td><strong>850</strong></td>
</tr>
</tbody>
</table>

27. Critical estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. Disclosed in this note are the areas which require a high degree of judgment, significant assumptions and/or estimates.

Revenue

The Group recognizes revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Significant judgment is required to determine the stand-alone selling price ("SSP") for each performance obligation in the SOPHiA platform, the amount allocated to each performance obligation and whether it depicts the amount that the Company expects to receive in exchange for the related product and/or service. As the selling prices of the Company's analyses are highly variable, the Company estimates SSP of its analyses using the residual approach when the analyses are sold with other products and services and observable SSPs exist for the other products and services. While the majority of sales agreements contain standard terms and conditions, the Group does enter into Biopharma contracts that contain multiple products or services or non-standard terms and conditions. Sometimes it is difficult to determine whether there is more than one performance obligation under a sales agreement; in such cases, how and when revenue should be recognized is subject to certain estimates or assumptions. Should these judgments and estimates not be correct, revenue recognized for any reporting period could be adversely affected. See note 3, "Revenue" for further details on how the Group has addressed these matters.

Capitalized internal software development costs

Costs incurred in the internal development of software are capitalized as intangible assets when the criteria required by IAS 38, as set out in note 35, "Significant accounting policies" are met. As explained in note 17, "Intangible assets," capitalized costs are based on the employment costs of individuals working on software development and based on timesheets. Special attention is paid to distinguishing between costs incurred on developing new software or software upgrades, which may be eligible for capitalization, and costs incurred in maintenance and in the correction of problems, which is not eligible.

Judgement is required in identifying whether individual projects meet all of the criteria required to permit capitalization, in particular, whether the software will generate probable future economic benefits.
Share-based compensation
As explained in note 25, “Share-based compensation,” the calculation of the cost of the Company’s share option grants and of the fair value of the ordinary shares at the grant date requires the selection of an appropriate valuation model and is based on key assumptions that leave considerable scope for judgement.

Goodwill impairment testing
As explained in note 17, “Intangible assets,” management assesses the recoverable value of goodwill by comparing the value of the Group equity value, either inferred from the prices of share issues or based on discounted cash flow forecasts, with the net assets as reported in its financial statements. This approach involves key assumptions that leave considerable scope for judgement.

Defined benefit pension liabilities
As explained in note 22, “Post-employment benefits,” the calculation of defined benefit pension liabilities and the associated cost is dependent on a number of key actuarial assumptions that leave considerable scope for judgement. The impact of changes in these assumptions is set out in the same note under the heading “Sensitivity analysis.”

Expected credit losses
As explained in note 12, “Accounts receivable—trade,” the Group has adopted the simplified method indicated in IFRS 9 to build its allowance for expected credit losses. No provision matrix is used, as the Group has not identified any patterns or correlations that would form the basis for such a matrix. Allowance is made for lifetime expected credit losses as invoices are issued. The amount of allowance initially recognized is based on historical experience, tempered by expected changes in future cash collections, due for example to expected improved customer liquidity or more active credit management. This approach requires the exercise of considerable judgement.

Income taxes
As explained in note 8, “Income taxes,” there is inherent uncertainty in quantifying income tax positions, especially considering the complex tax laws and regulations in each of the jurisdictions in which the Group operates.

Derivatives
As explained in note 20, “Other current and non-current liabilities,” the Group has an obligation to pay a success fee linked to a loan that is now repaid. The obligation has many features of a cash-settled share option. It is revalued at fair value at each reporting date using an option pricing model based on a Monte Carlo simulation. This model demands inputs that require the exercise of considerable judgement.

F-42
28. Financial instruments

The Group holds the following financial instruments:

<table>
<thead>
<tr>
<th>Financial assets at amortized cost</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>74,625</td>
<td>18,069</td>
</tr>
<tr>
<td>Term deposits</td>
<td>22,720</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable—trade</td>
<td>6,363</td>
<td>7,929</td>
</tr>
<tr>
<td>Other financial non-current assets</td>
<td>984</td>
<td>680</td>
</tr>
<tr>
<td><strong>Total financial assets at amortized cost</strong></td>
<td><strong>104,692</strong></td>
<td><strong>26,678</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial assets at fair value through statement of income/loss</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term investments</td>
<td>—</td>
<td>366</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>104,692</strong></td>
<td><strong>27,044</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities at amortized cost</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable—trade</td>
<td>1,281</td>
<td>1,729</td>
</tr>
<tr>
<td>Borrowings</td>
<td>3,330</td>
<td>3,838</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>3,919</td>
<td>4,626</td>
</tr>
<tr>
<td>Other financial current liabilities</td>
<td>—</td>
<td>1,666</td>
</tr>
<tr>
<td>Other financial non-current liabilities</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total financial liabilities at amortized cost</strong></td>
<td><strong>8,530</strong></td>
<td><strong>11,859</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities at fair value through statement of income/loss</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative</td>
<td>1,024</td>
<td>557</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td><strong>9,554</strong></td>
<td><strong>12,416</strong></td>
</tr>
</tbody>
</table>

The Group’s exposure to various risks associated with the financial instruments is discussed in note 29, “Financial risk management.” The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above. See note 12, “Accounts receivable—trade” for expected credit loss provisions on accounts receivable.

**Fair value measurement**

At December 31, 2020, the carrying amount was a reasonable approximation of fair value for the following financial assets and liabilities:

**Financial assets**
- Cash and cash equivalents
- Term deposits and short-term investments
- Accounts receivable—trade
- Other non-current assets—lease deposits and lease receivable

**Financial liabilities**
- Accounts payable—trade
The basis of the measurement of any assets and liabilities for which fair value is measured or disclosed in the financial statements is categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Short-term investments are carried at fair value, based on quoted market prices in active markets. The fair value of short-term investments is based on quoted market prices in active markets. The basis of measurement is considered to be level 1.

Borrowings, current and non-current, are carried at amortized cost at a total carrying value of USD 2,873 thousand and USD 457 thousand in 2020 (2019: USD 2,225 thousand and USD 1,613 thousand), respectively. The fair value of these borrowings at December 31, 2020 was USD 3,330 thousand (2019: USD 3,838), respectively. The fair value of borrowings is based on discounted cash flows using current borrowing rates. The basis of measurement is considered to be level 3 owing to the use of unobservable inputs, including own credit risk.

Derivatives, included within other current liabilities (see note 20, “Other current liabilities and other non-current liabilities”), comprise a success fee payable upon an initial public offering or a sale of the Company. This option is carried at fair value. The fair value of the option has been estimated using a Monte Carlo simulation. The basis of measurement is considered to be level 3 owing to the use of unobservable inputs, including the fair value of the Company’s own shares.

The impairment testing of goodwill depends on estimates of the Group’s equity value (see note 17, “Intangible assets”). The basis of measurement of such estimates is considered to be level 3 owing to the use of unobservable inputs.

In 2020 there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. There were also no transfers between categories.

29. Financial risk management

Financial risks

Senior management regularly review the Group’s cash forecast and related risks. They also perform the risk assessment, define any necessary measures and ensure the monitoring of the internal control system.

The Group’s principal financial liabilities include accounts payable, lease liabilities and borrowings. The Group’s principal financial assets include cash and cash equivalents, term deposits and short-term investments and accounts receivable.
In the course of its business, the Group 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). This note presents the Group's objectives, policies, and processes for managing these risks.

Credit and counterparty risk management
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily accounts receivable.

Concentration risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Group's policy with regard to assessing and providing for expected credit losses on accounts receivable is set out in note 12, “Accounts receivable—Trade.”

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy.

Financial transactions are predominantly entered into with investment grade financial institutions and in principle the Group requires a minimum long-term rating of A3/A- for its cash investments. The Group may deviate from this requirement from time to time for operational reasons. The highest exposure to a single financial counterparty within cash and cash equivalents and term deposits and short-term investments amounted to USD 45,660 thousand at December 31, 2020 (2019: USD 11,386 thousand).

Other non-current financial assets include cash deposits for leases.

Funding and liquidity risk management
Funding and liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Such risk may result from inadequate market depth or disruption or refinancing problems.

The Group views equity funding as its primary source of liquidity only partly complemented with revenue generated from the sale of the platform, products and services and some borrowings. The Group has no committed borrowing facilities. Short term liquidity is managed based on projected cash flows. As at December 31, 2020 the Group’s liquidity consisted of USD 74,625 thousand (2019: USD 18,069 thousand) in cash and cash equivalents. On the basis of the current operating performance and liquidity position, management believes that the available cash balances will be sufficient for operating activities, working capital, interest, capital expenditures and scheduled debt repayments for the next 12 months.

The COVID-19 pandemic has negatively affected the Group's overall and non-COVID-19 analysis-related revenue. The Group's hospital customers prioritized COVID-19-related services during the pandemic. In addition, as a result of pandemic containment measures, some customers experienced disruptions in their operations, refocused their research and development priorities and operated at reduced capacity. As a result, there was a significant decrease in revenue and analysis volume in the second quarter of 2020. Although there has been a sustained recovery for the rest of the year, management believes that the Group experienced lower growth in revenue and analysis volume in 2020 as a result of the COVID-19 pandemic than it otherwise would have achieved. Given the sustained recovery in 2020, management does not believe the COVID-19 pandemic will have a significant impact on the Company's ability to continue as a going concern.
The table below summarizes the maturity profile of the Group’s financial liabilities based on contractual undiscounted cashflows:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Net carrying amount</th>
<th>Within 1 year</th>
<th>Between 1 and 5 years</th>
<th>After 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At December 31, 2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR 5.1 M</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>COVID CHF 1M</td>
<td>1,132</td>
<td>1,137</td>
<td>—</td>
<td></td>
<td>1,137</td>
</tr>
<tr>
<td>COVID CHF 500K</td>
<td>507</td>
<td>71</td>
<td>497</td>
<td>—</td>
<td>568</td>
</tr>
<tr>
<td>COVID EUR 1.4M</td>
<td>1,691</td>
<td>1,718</td>
<td>—</td>
<td></td>
<td>1,718</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>3,330</td>
<td>2,926</td>
<td>497</td>
<td>—</td>
<td>3,423</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>3,919</td>
<td>1,134</td>
<td>3,005</td>
<td>14</td>
<td>4,153</td>
</tr>
<tr>
<td>Accounts payable—trade</td>
<td>1,281</td>
<td>1,281</td>
<td>—</td>
<td></td>
<td>1,281</td>
</tr>
<tr>
<td>Other financial current liabilities</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Other financial non-current liabilities</td>
<td>1,024</td>
<td>—</td>
<td>1,024</td>
<td>—</td>
<td>1,024</td>
</tr>
<tr>
<td><strong>Total contractual liabilities</strong></td>
<td>9,554</td>
<td>5,341</td>
<td>4,526</td>
<td>14</td>
<td>9,881</td>
</tr>
<tr>
<td><strong>At December 31, 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR 5.1 M</td>
<td>3,838</td>
<td>2,621</td>
<td>1,672</td>
<td>—</td>
<td>4,293</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>4,626</td>
<td>1,086</td>
<td>3,847</td>
<td>31</td>
<td>4,964</td>
</tr>
<tr>
<td>Accounts payable—trade</td>
<td>1,729</td>
<td>1,729</td>
<td>—</td>
<td>—</td>
<td>1,729</td>
</tr>
<tr>
<td>Other financial current liabilities</td>
<td>1,666</td>
<td>1,666</td>
<td>—</td>
<td>—</td>
<td>1,666</td>
</tr>
<tr>
<td>Other financial non-current liabilities</td>
<td>557</td>
<td>—</td>
<td>557</td>
<td>—</td>
<td>557</td>
</tr>
<tr>
<td><strong>Total contractual liabilities</strong></td>
<td>12,416</td>
<td>7,102</td>
<td>6,076</td>
<td>31</td>
<td>13,209</td>
</tr>
<tr>
<td><strong>At January 1, 2019</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR 5.1 M</td>
<td>5,853</td>
<td>2,671</td>
<td>4,376</td>
<td>—</td>
<td>7,047</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>3,362</td>
<td>589</td>
<td>2,834</td>
<td>181</td>
<td>3,604</td>
</tr>
<tr>
<td>Accounts payable—trade</td>
<td>851</td>
<td>851</td>
<td>—</td>
<td>—</td>
<td>851</td>
</tr>
<tr>
<td>Other financial current liabilities</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other financial non-current liabilities</td>
<td>1,440</td>
<td>—</td>
<td>1,440</td>
<td>—</td>
<td>1,440</td>
</tr>
<tr>
<td><strong>Total contractual liabilities</strong></td>
<td>11,506</td>
<td>4,111</td>
<td>8,650</td>
<td>181</td>
<td>12,942</td>
</tr>
</tbody>
</table>

**Market risk**

Market risk includes currency risk and interest rate risk.

Currency risk—Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.
**Table of Contents**

The significant exchange rates that have been applied to these financial statements are listed below:

<table>
<thead>
<tr>
<th>Currency</th>
<th>As at December 31, 2020</th>
<th>As at January 1, 2019</th>
<th>Year ended December 31, 2020</th>
<th>Year ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Spot rate</td>
<td>Spot rate</td>
<td>Average rate</td>
<td>Average rate</td>
</tr>
<tr>
<td>USD/CHF</td>
<td>0.88030</td>
<td>0.96620</td>
<td>0.94703</td>
<td>0.99467</td>
</tr>
<tr>
<td>USD/EUR</td>
<td>0.81490</td>
<td>0.89020</td>
<td>0.87340</td>
<td>0.88423</td>
</tr>
<tr>
<td>USD/GBP</td>
<td>0.73260</td>
<td>0.75730</td>
<td>0.78120</td>
<td>0.78132</td>
</tr>
<tr>
<td>USD/BRL</td>
<td>5.19400</td>
<td>4.01970</td>
<td>3.88120</td>
<td>5.06281</td>
</tr>
</tbody>
</table>

The sensitivity of the Group’s income to possible changes in foreign exchange rates is measured at the local entity level as it depends on the functional currency of each entity. As at December 31, 2020 and 2019, the Group was exposed principally to movements in four cross currency pairs. The sensitivity of the Group’s loss before tax to such changes was as follows:

<table>
<thead>
<tr>
<th>Year ended December 31, 2020</th>
<th>Year ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / (decrease) in loss before tax</td>
<td>Increase / (decrease) in loss before tax</td>
</tr>
<tr>
<td>Increase / decrease in USD/CHF exchange rate by 10%</td>
<td>1,453 / (1,453) / 741 / (741)</td>
</tr>
<tr>
<td>Increase / decrease in EUR/CHF exchange rate by 10%</td>
<td>836 / (836) / 410 / (410)</td>
</tr>
<tr>
<td>Increase / decrease in GBP/CHF exchange rate by 10%</td>
<td>351 / (351) / 328 / (328)</td>
</tr>
<tr>
<td>Increase / decrease in USD/EUR exchange rate by 10%</td>
<td>155 / (155) / 322 / (322)</td>
</tr>
</tbody>
</table>

The Group’s exposure to foreign currency changes for all other currencies is not material. The Group does not use derivative financial instruments to hedge exposures and under no circumstances may enter into derivative instruments for speculative purposes.

The sensitivity of the Group’s reported equity or net assets to possible changes in foreign exchange rates is measured at the Group level as it depends on the presentation currency selected for the consolidated financial statements. Such effects are reported not in income but in the currency translation account within other reserves. As at December 31, 2020 the sensitivity of the Group’s equity to such changes, measured against the USD, was as follows:

<table>
<thead>
<tr>
<th>Year ended December 31, 2020</th>
<th>Year ended December 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / (decrease) in equity</td>
<td>Increase / (decrease) in equity</td>
</tr>
<tr>
<td>Increase / decrease in USD/CHF exchange rate by 10%</td>
<td>(11,279) / 11,279 / (3,719) / 3,719</td>
</tr>
<tr>
<td>Increase / decrease in USD/EUR exchange rate by 10%</td>
<td>(467) / 467 / (219) / 219</td>
</tr>
<tr>
<td>Increase / decrease in USD/GBP exchange rate by 10%</td>
<td>211 / (211) / 207 / (207)</td>
</tr>
<tr>
<td>Increase / decrease in USD/BRL exchange rate by 10%</td>
<td>(64) / 64 / (13) / 13</td>
</tr>
</tbody>
</table>

**Interest rate risk**—The Group’s principal interest-bearing liabilities comprise three COVID-related government loans, which have fixed interest rates between 0% and 1.175%. As a result, the Group has no cash flow risk and only a minimal fair value risk associated with its interest-bearing debt.

**30. Capital management**

The Group considers equity as equivalent to the IFRS equity on the balance sheet (including share capital, share premium and all other equity reserves attributable to the owners of the Company). Interest-bearing debt other
than leases includes one bank loan and several government-granted COVID loans with below-market interest rates. The primary objective of the Group’s capital management is to maximize shareholder value. The Board regularly reviews its shareholders’ return strategy. For the foreseeable future, the Board will maintain a capital structure that supports the Group’s strategic objectives through managing funding and liquidity risks and optimizing shareholder return.

As at December 31, 2020 the Group’s cash and cash equivalents amounted to USD 74,625 thousand. In addition, its outstanding debt amounted to only USD 3,330 thousand and consisted entirely of government-issued COVID loans with below-market interest rates, of which all have since been repaid, except for EUR 1.4 million (USD 1.7 million) due for repayment on May 31, 2021.

The Board of Directors believes that the Company has sufficient financial resources to meet all of its obligations for at least the next twelve months. Moreover, the Company is not exposed to liquidity risk through requests for early repayment of loans.

31. Commitments
The Group has commitments for future lease payments under short-term leases not recognized in the balance sheet amounting at December 31, 2020 to USD 362 thousand (at December 31, 2019: USD 433 thousand, and at January 1, 2019: USD 476 thousand).

32. Contingencies
At December 31, 2020 the Group had no contingent assets or liabilities.

33. Related party transactions
Share data have been revised to give effect to the share split explained in note 35, “Significant accounting policies—Basis of preparation—Share split.”

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

Key management personnel comprised 4 Executive Officers and Directors and 6 Non-Executive Directors (2019: 3 and 3 respectively).

Compensation for key management and non-executive directors recognized during the year comprised:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Salaries and other short-term employee benefits</td>
<td>1,155</td>
</tr>
<tr>
<td>Pension costs</td>
<td>70</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>1,065</td>
</tr>
<tr>
<td>Other compensation</td>
<td>146</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,436</strong></td>
</tr>
</tbody>
</table>

See also note 34, “Events after the reporting date,” for details of additional awards made to the CEO after the year end and therefore not included in the above table.

F-48
Related parties participated in the sale of Series F preferred shares during the year to the following extent:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Number of preferred shares purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alychlo NV</td>
<td>233,580</td>
</tr>
<tr>
<td>Generation IM Sustainable Fund III, L.P</td>
<td>389,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>622,880</strong></td>
</tr>
</tbody>
</table>

Three members of key management participated in share issuances in 2020 acquiring a total of 65,920 shares.

34. Events after the reporting date

Share data have been revised to give effect to the share split explained in note 35, “Significant accounting policies—Basis of preparation—Share split.”

**COVID loans**

The Credit Suisse CHF 500 thousand COVID loan was repaid early, on March 26, 2021.

The Credit Suisse CHF 1,000 thousand COVID loan was repaid on maturity on January 31, 2021.

The Credit Agricole Pyrénées Gascogne EUR 1,400 thousand loan COVID loan is due to be repaid as scheduled on maturity on May 31, 2021.

**New loans**

On April 1, 2021, the Company entered into a credit agreement with Credit Suisse that provides for maximum borrowings of up to EUR 2,700 thousand (USD 3,313 thousand) (the “Credit Facility”). Borrowings under the Credit Facility accrue interest at 3.95% per annum and are repayable in instalments over 36 months. Borrowings under the Credit Facility can only be used to finance laboratory automation equipment for NGS purposes. As of the date of these financial statements, the Group had no borrowings outstanding under the Credit Facility.

**Share options**

As explained in note 25, “Share-based compensation,” as at December 31, 2020, under both plans, in the event of a change of control or an IPO, all unvested shares would vest immediately. On April 22, 2021, the Board amended the 2019 ISOP to the effect that in the event of a successful IPO or public listing of the Company’s shares, only those unvested options that otherwise would vest within six months following the effective date of the IPO or such public listing should become fully vested immediately as of such date (accelerated vesting). The remaining unvested options (i.e., unvested options that would only vest after the six-month period following the effective date of the IPO or public listing) would not be subject to accelerated vesting and, subject to certain conditions, would vest on the basis of the original vesting schedule. On April 22, 2021, the Board further decided that, irrespective a successful IPO or public listing of the Company's shares, no options could be exercised from May 1, 2021, to December 31, 2021, and to accelerate the vesting of options that would otherwise vest during that period.

**CEO share option awards**

On March 25, 2021, the Board formally clarified the conditions of the commitment to grant options to the CEO upon an IPO that is described at the end of note 25, “Share-based compensation.” Specifically, the Board set the
grant date as November 29, 2018, set the strike price at USD 3.57 (CHF 3.15), confirmed the condition of an IPO that valued the Company at a minimum of USD 1.0 billion and set the life of the option at five years. The award has been valued as of that date at USD 271 thousand. This value will not be updated at a later date as all terms and conditions of the award are now clear. The expense of USD 271 thousand will be recognized in the event that and as of the date that it becomes probable that an IPO that values the Company at a minimum of USD 1.0 billion will occur before November 29, 2023.

On March 25, 2021, the Board changed the strike price on 127,000 options granted to the CEO in September 2018 from USD 4.22 (CHF 4.00) to USD 3.16 (CHF 3.15). The Company estimates that the fair value of these options, measured using the same approach as that used to value share options granted since September 2020, increased by USD 62 thousand. This incremental cost will be recognized as an expense from March 25, 2021 until the end of the vesting period of the original grant.

**Lease commitments**

On March 3, 2021, SOPHiA GENETICS SA entered into a new office rent agreement for a 10-year period starting on July 1, 2021. The expected lease commitments resulting from this contract are USD 192 thousand in 2021, USD 612 thousand in 2022 and USD 1,243 thousand from 2023 onwards. They are linked to changes in the Swiss Consumer Price Index as published by Swiss Federal Statistical Office.

**New subsidiaries**

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

**Share Split**

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

**Other**

There were no other significant events subsequent to the issue date of these consolidation financial statements.

### 35. Significant accounting policies

#### Basis of preparation

**Compliance with International Financial Reporting Standards**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

**First-time adoption of IFRS**

These financial statements, for the year ended December 31, 2020, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended December 31, 2019, the Group prepared its financial statements in accordance with local generally accepted accounting principles ("local GAAP") and...
did not prepare any consolidated financial statements. For this reason, the Group is unable to prepare a reconciliation of the amounts presented under IFRS with those presented under local GAAP in previous consolidated financial statements.

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at December 31, 2020, together with the comparative period data for the year ended December 31, 2019, as described in the summary of significant accounting policies. In preparing the financial statements, the Group’s opening statement of financial position was prepared as at January 1, 2019, the Group’s date of transition to IFRS.

In adopting IFRS, estimates had to be made based on the information available at reporting dates in the past. The estimates made at January 1, 2019 and at December 31, 2019 are consistent with those made for the same dates in accordance with local GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items, where application of local GAAP had not required any estimation:

- Post-employment benefits
- Share-based compensation
- Investments in equity instruments—unquoted equity shares

The estimates used by the Group to present these amounts in accordance with IFRS are based on conditions at January 1, 2019, the date of transition to IFRS, and at December 31, 2019.

**New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2020 reporting periods and have not been adopted early by the group. 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.

**Going concern basis**

These financial statements have been prepared on a going concern basis (see note 30, “Capital management”).

**Historical cost convention**

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

**Accounting policies**

The significant accounting policies adopted in the preparation of these consolidated financial statements have been consistently applied, unless otherwise stated.

**Basis of consolidation**

The consolidated financial statements include the Group and its subsidiaries.

A subsidiary is an entity over which the Group has control. The Group controls an entity when it has the power to direct its activities and has rights to its variable returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

During the consolidation process intercompany transactions, balances and unrealized gains on transactions between companies are eliminated. Unrealized losses are also eliminated unless there is evidence of an impairment of the transferred asset. In order to ensure consistency with the accounting policies of the Group, the accounting policies of subsidiaries have been changed where necessary.
Foreign currency translation

The functional currency of each of the Group's entities is the currency of the primary economic environment in which it operates.

In individual entities, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at year-end rates. Any resulting exchange differences are taken to the statement of income/loss. All foreign exchange gains and losses are presented in the statement of income/loss within other operating expenses.

On consolidation, assets and liabilities of foreign operations reported in their local functional currencies are translated into U.S. dollars (USD), the currency in which the Group's financial statements are presented, at year-end exchange rates. Income and expenses are translated into USD at the annual weighted average rates of exchange. Differences arising from the retranslation of opening net assets of foreign operations, together with differences arising from the translation of the net results for the year of foreign operations, are recognized in other comprehensive income under currency retranslations. The Group selected the U.S. dollar as its presentation currency for purposes of its consolidated financial statements instead of the Company's functional currency, the Swiss franc, because of the global nature of its business, its expectation that an increasing portion of revenues and expenses will be denominated in US dollar, and its plans to access U.S. capital markets.

Revenue recognition

Further details regarding the accounting policy for revenue are set out in note 3, “Revenue.”

Contract assets and liabilities

The accounting policies for accrued revenue, deferred contract costs and deferred contract revenue are set out in note 3, “Revenue.”

Leases—Group as a lessor

The Group leases out laboratory equipment to certain customers. These leases are classified as finance leases as the Group transfers substantially all the risks and rewards incidental to ownership of the asset to the customer.

At the commencement of the lease term, the Group records a gain on sale, being the sale proceeds at fair value of the asset (computed at cost plus a margin) less cost, derecognizes the leased asset from inventory and recognizes a finance lease receivable in the balance sheet equal to the net investment in the lease.

The net investment in the lease is the total minimum lease payments during the lease term discounted at the Group's incremental borrowing rate and is included in accounts receivable—trade. Lease income is recognized over the term of the lease within materials and services revenue in the income statement.

Cost of revenue

Cost of revenue is determined on the basis of the cost of services provided and cost of production or purchase, adjusted for the variation in inventories.

Government grants

The accounting policy for government grants for research and development and innovation received as tax credits is set out in note 5, “Operating expense.”
The accounting policy for government grants for payroll and/or rental obligations that are received as loans that will be forgiven if the proceeds are utilized as intended with the specified timeframe is set out in note 5, “Operating expense.”

The accounting policy for government grants received as loans with below-market rates of interest is set out in note 6, “Other operating income and (expense).”

The accounting policy for government grants for regional aid is set out in note 6, “Other operating income and (expense).”

**Taxes**

The Group is subject to taxes in different countries. Taxes and related fiscal assets and liabilities recognized in the Group’s financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date in each individual country. These facts may include but are not limited to change in tax laws and interpretation thereof in the various jurisdictions where the Group operates. They may have an impact on the income tax as well as the resulting income tax assets and liabilities. Any differences between tax estimates and final tax assessments are charged to the statement of income/loss in the period in which they are incurred, unless anticipated. Taxes include current and deferred taxes on income as well as actual or potential withholding taxes on current and expected transfers of income from subsidiaries and tax adjustments relating to prior years. Income tax is recognized in the statement of income/loss, except to the extent that it relates to an item directly taken to other comprehensive income/loss or equity, in which case it is recognized against other comprehensive income/loss or equity, respectively.

Current income tax liabilities refer to the portion of the tax on the current year taxable profit (as determined according to the rules of the taxation authorities) and includes uncertain tax liabilities. The Group determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates consistently with the tax treatment used or planned to be used in its income tax filings if the Group concludes it is probable that the taxation authority will accept an uncertain tax treatment.

Otherwise, the Group reflects the effect of uncertainty using either the most likely outcome or the expected value outcome, depending on which method the entity expects to better predict the resolution of the uncertainty.

Deferred taxes are based on the temporary differences that arise when taxation authorities recognize and measure assets and liabilities with rules that differ from the accounting policies of the Group's financial statements. They also arise on temporary differences stemming from tax losses carried forward. Deferred taxes are measured at the rates of tax expected to prevail when the temporary differences reverse, subject to such rates being substantively enacted at the balance sheet date. Any changes of the tax rates are recognized in the statement of income/loss unless related to items directly recognized against equity. Deferred tax liabilities are recognized on all taxable temporary differences excluding non-deductible goodwill. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, on the basis of the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.
The tax impact of a transaction or item can be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. The Group uses in-house tax experts when assessing uncertain tax positions and seeks the advice of external professional advisors where appropriate.

**Share split**

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

**Loss per share**

Basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary and preferred shares in issue during the year.

The diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares arising from share option plans (see note 25, “Share-based compensation expense”).

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with external financial institutions and other short-term highly liquid investments with original maturities to the Company of three months or less. They are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

**Accounts receivable**


**Inventories**

Raw materials and finished goods are stated at the lower of cost calculated using the FIFO (first-in, first-out) method and net realizable value. Work in progress is stated at the lower of its weighted average cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

**Property, plant, and equipment**

Property, plant, and equipment include leasehold improvements, computer hardware, machinery and furniture and fixtures. Property, plant, and equipment are shown on the balance sheet at their historical cost. The cost of an asset, less any residual value, is depreciated using the straight-line method over the useful life of the asset. For this purpose, assets with similar useful lives have been grouped as follows:

- Leasehold improvements—5 years
- Computer hardware—3-5 years
- Machinery and equipment—5 years
- Furniture and fixtures—5 years
Useful lives, components, and residual amounts are reviewed annually. Such a review takes into consideration the nature of the assets, their intended use, including but not limited to the closure of facilities, and the evolution of the technology and competitive pressures that may lead to technical obsolescence. Depreciation of property, plant, and equipment is allocated to the appropriate headings of expenses by function in the statement of income/loss.

Reviews of the carrying amount of the Group's property, plant, and equipment are performed when there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing the value in use, the estimated future cash flows are discounted to their present value, based on the time value of money and the risks specific to the country where the assets are located.

**Lease liabilities and right-of-use assets**

The Group assesses at inception of the contract whether a contract is or contains a lease. This assessment involves determining whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset. When these conditions are met, the Group recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date, except for short-term leases of 12 months or less, which are expensed in the statement of income/loss on a straight-line basis over the lease term.

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that is not readily determinable, the incremental borrowing rate ("IBR") at the lease commencement date. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Lease payments can include fixed payments; variable payments that depend on an index or rate known at the commencement date; and extension option payments or purchase options that the Group is reasonably certain to exercise.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments due to renegotiation, changes in an index or rate or a reassessment of options.

**ROU asset**

At inception, the ROU asset comprises the initial lease liability, initial direct costs, and any obligations to refurbish the asset, less any incentives granted by the lessors.

The ROU asset is depreciated over the shorter of the duration of the lease contract (including contractually agreed optional extension periods whose exercise is deemed to be reasonably certain) and the useful life of the underlying asset.

The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

**Intangible assets**

Intangible assets include those that are internally generated or acquired, either separately or in a business combination, and can be identified and reliably measured. Internally generated intangible assets are capitalized
provided that there is an identifiable asset that will be useful in generating future benefits in terms of savings and economies of scale and it can be measured reliably and is controllable. The Group's intangible assets consist of capitalized development costs related to software platforms and goodwill.

**Goodwill**

Goodwill is initially measured as the difference between the aggregate of the value of the consideration transferred and the fair value of net assets acquired. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**ERP software implementation costs**

The costs of accessing software services are not capitalized if the Company does not have any contractual right to take possession of the software at any time during the term of the agreement and it is not feasible for the Company either to run the software on its own hardware or to contract with a third party unrelated to the vendor. Such costs represent “Software as a Service” (“SaaS”) costs and are expensed as incurred.

The Company does however capitalize software implementation costs, such as fees paid to outside consultants to set up a software arrangement.

**Capitalized internal software development costs**

Software development costs consist entirely of capitalized internally generated costs that are directly attributable to the design, testing and enhancement of identifiable and unique software products controlled by the Group and incorporated principally within the Group’s SOPHiA platform. They are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software comprise principally employee costs. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight-line basis over its expected useful life.

Further details as to how this accounting policy has been implemented are set out in note 17, “Intangible assets.”

**Impairment testing of intangible assets**

Intangible assets are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level.
at which goodwill is monitored for internal management purposes, being the operating segments. As the Group operates as a single operating segment, the Group has only a single cash generating unit for impairment testing.

**Defined benefit pension obligations**

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of income/loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in income as past service costs.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans. Employee contributions to these plans are voluntary and these contributions are matched by the employer. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. Contributions are charged to the statement of income/loss as incurred.

**Share-based compensation**

The Group has two share option plans for directors, employees and advisors which are accounted for as equity-settled share-based compensation plans.

The fair value of options granted under these plans is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity’s share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g., the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number
of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in income, with a corresponding adjustment to equity.

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the share price, or the fair value of a share if unlisted, the expected life of the share option, the volatility of the share price, the risk-free interest rate and the dividend yield and making assumptions about them. The assumptions used for estimating fair value for share-based payment transactions are disclosed in note 25, “Share-based compensation.”

If the shares are not listed, estimating their fair value also requires determination of the most appropriate valuation model, such as:

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

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

Share based compensation expense is measured at the fair value of the options at the grant date and recognized over the vesting period. Share based compensation expense is presented in the statement of income/loss and allocated to the various expense categories based on the functions of the employees to whom the options are granted (e.g., research and development, selling and marketing, general & administrative).

Provisions and contingencies

Provisions comprise liabilities of uncertain timing or amount. They are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, unless the impact of discounting is immaterial. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the Group.

The likelihood of occurrence of provisions and contingent liabilities requires use of judgement. Judgement is also required to determine if an outflow of economic resources is probable, or possible but not probable. Where it is probable, a liability is recognized, and further judgement is used to determine the level of the provision. Where it is possible but not probable, further judgement is used to determine if the likelihood is remote, in which case no disclosures are provided; if the likelihood is not remote then judgement is used to determine the contingent liability disclosed.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

F-58
**Financial assets classification**

Upon recognition, financial assets are classified on the basis of how they are measured: at amortized cost or fair value through income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for accounts receivable that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income, transaction costs. Accounts receivable that do not contain a significant financing component are measured at the transaction price.

The Group's business model for managing financial assets is defined by whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets held in order to collect contractual cash flows are measured at amortized cost. Financial assets held both to collect contractual cash flows and for sale are measured at fair value through other comprehensive income/loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Financial assets measured at amortized cost**

Financial assets initially measured at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in income when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost include cash, term deposits and accounts receivable.

**Financial assets—derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets—impairment
For cash and accounts receivable, the Group invests in assets where it has never incurred and does not expect to incur credit losses.
For accounts receivable the Group recognizes a loss allowance based on lifetime ECLs at each reporting date. When estimating the ECL the Group takes into consideration: readily available relevant and supportable information (this includes quantitative and qualitative data), the Group’s historical experience and forward-looking information specific to the receivables and the economic environment.

Financial liabilities classification
Financial liabilities are classified upon initial recognition as financial liabilities measured at fair value through income or at amortized cost. The Group’s financial liabilities include accounts payable and debt (including borrowings and lease liabilities), which are measured at amortized cost, and derivatives, which are measured at fair value through income.
Interest-bearing borrowings are initially and subsequently measured at amortized cost using the effective interest rate (“EIR”) method. Gains and losses are recognized in income when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income/loss.

Financial liabilities—derecognition
A financial liability is derecognized when the obligation under the liability is discharged or canceled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income/loss.

Fair value measurement
The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the or by selling it to another market participant.

The Group uses valuation techniques to measure fair value maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement with the involvement of experts and external consultants when needed.
## SOPHiA Genetics SA, Saint-Sulpice
### Condensed interim consolidated statement of income/loss

<table>
<thead>
<tr>
<th>In USD thousands except per share data</th>
<th>Notes</th>
<th>For the three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Revenue</td>
<td>5</td>
<td>8,976</td>
</tr>
<tr>
<td>Cost of Revenue</td>
<td></td>
<td>(3,359)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td>5,617</td>
</tr>
<tr>
<td>Research and development costs</td>
<td></td>
<td>(6,180)</td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td></td>
<td>(4,882)</td>
</tr>
<tr>
<td>General and administrative costs</td>
<td></td>
<td>(8,633)</td>
</tr>
<tr>
<td>Other operating income and (expense), net</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td></td>
<td>(14,054)</td>
</tr>
<tr>
<td>Finance income and (expense), net</td>
<td></td>
<td>1,561</td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td></td>
<td>(12,493)</td>
</tr>
<tr>
<td>Income tax (expense)/benefit</td>
<td></td>
<td>(175)</td>
</tr>
<tr>
<td><strong>Loss for the period</strong></td>
<td></td>
<td>(12,668)</td>
</tr>
<tr>
<td>Attributable to the owners of the parent</td>
<td></td>
<td>(12,668)</td>
</tr>
<tr>
<td><strong>Loss per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted loss per share (in USD)</td>
<td>6</td>
<td>(0.26)</td>
</tr>
</tbody>
</table>

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

F-63
## Condensed interim consolidated statement of comprehensive income/loss

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>For the three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Loss for the period</td>
<td>(12,668)</td>
</tr>
<tr>
<td>Other comprehensive (loss)/profit:</td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified to profit or loss (net of tax)</td>
<td></td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(7,023)</td>
</tr>
<tr>
<td>Total items that may be reclassified to profit or loss</td>
<td>(7,023)</td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss (net of tax)</td>
<td></td>
</tr>
<tr>
<td>Remeasurement of defined benefit plans</td>
<td>—</td>
</tr>
<tr>
<td>Total items that will not be reclassified to profit or loss</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive profit/(loss) for the period</td>
<td>(7,023)</td>
</tr>
<tr>
<td>Total comprehensive loss for the period</td>
<td>(19,691)</td>
</tr>
<tr>
<td>Attributable to owners of the parent</td>
<td>(19,691)</td>
</tr>
</tbody>
</table>

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

F-64
### SOPHiA Genetics SA, Saint-Sulpice
#### Condensed interim consolidated balance sheet

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Notes</th>
<th>March 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>57,113</td>
<td>74,625</td>
</tr>
<tr>
<td>Term deposits and short-term investments</td>
<td></td>
<td>21,184</td>
<td>22,720</td>
</tr>
<tr>
<td>Accounts receivable—trade</td>
<td><strong>7</strong></td>
<td>7,392</td>
<td>6,363</td>
</tr>
<tr>
<td>Inventory</td>
<td></td>
<td>3,106</td>
<td>3,384</td>
</tr>
<tr>
<td>Other current assets</td>
<td></td>
<td>2,630</td>
<td>2,602</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>91,425</td>
<td>109,694</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td></td>
<td>1,566</td>
<td>1,772</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td></td>
<td>3,324</td>
<td>3,767</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>12,989</td>
<td>13,282</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td></td>
<td>1,870</td>
<td>2,114</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td></td>
<td>748</td>
<td>1,486</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>20,497</td>
<td>22,421</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>111,922</td>
<td>132,115</td>
</tr>
</tbody>
</table>

| Liabilities and equity |       |               |                   |
| Current liabilities   |       |               |                   |
| Accounts payable      |   | 5,790         | 5,907             |
| Accrued expenses      |   | 8,948         | 9,081             |
| Deferred contract revenue | **5** | 3,606         | 2,642             |
| Borrowings            | **8** | 1,631         | 2,873             |
| Lease liabilities     |   | 971           | 1,036             |
| Other current liabilities |   | 13            | 48                |
| **Total current liabilities** | | 20,959        | 21,587            |

| Non-current liabilities |       |               |                   |
| Borrowings | **8** |             | 457               |
| Lease liabilities     |   | 2,505         | 2,883             |
| Defined benefit pension liabilities |   | 4,984         | 5,158             |
| Deferred contract revenue | **5** | 136           | 142               |
| Other non-current liabilities |   | 1,263         | 1,378             |
| **Total non-current liabilities** | | 8,888         | 10,018            |
| **Total liabilities** |       | 29,847        | 31,605            |

| Equity |       |               |                   |
| Share capital |   | 2,469         | 2,460             |
| Share premium   |   | 228,037       | 227,429           |
| Other reserves  |   | 1,916         | 8,300             |
| Accumulated deficit |   | (150,347)     | (137,679)         |
| **Total equity** | | 82,075        | 100,510           |
| **Total liabilities and equity** | | 111,922       | 132,115           |

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

F-65
## SOPHiA Genetics SA, Saint-Sulpice
### Condensed interim consolidated statement of changes in equity

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>Notes</th>
<th>Share capital</th>
<th>Share premium</th>
<th>Other reserves</th>
<th>Accumulated deficit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1, 2021</td>
<td></td>
<td>2,460</td>
<td>227,429</td>
<td>8,300</td>
<td>(137,679)</td>
<td>100,510</td>
</tr>
<tr>
<td>Loss for the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td>(7,023)</td>
<td></td>
<td>(7,023)</td>
</tr>
<tr>
<td>Total other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(19,691)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share options exercised</td>
<td></td>
<td>9</td>
<td>608</td>
<td></td>
<td></td>
<td>617</td>
</tr>
<tr>
<td>As at March 31, 2021</td>
<td></td>
<td>2,469</td>
<td>228,037</td>
<td>1,916</td>
<td>(150,347)</td>
<td>82,075</td>
</tr>
<tr>
<td>As at January 1, 2020</td>
<td></td>
<td>1,947</td>
<td>119,227</td>
<td>(581)</td>
<td>(98,340)</td>
<td>22,253</td>
</tr>
<tr>
<td>Loss for the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(10,537)</td>
<td>(10,537)</td>
</tr>
<tr>
<td>Other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Total other comprehensive income/(loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(10,533)</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>270</td>
</tr>
<tr>
<td>Transactions with owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share options exercised</td>
<td></td>
<td>5</td>
<td>322</td>
<td></td>
<td></td>
<td>327</td>
</tr>
<tr>
<td>As at March 31, 2020</td>
<td></td>
<td>1,952</td>
<td>119,549</td>
<td>(307)</td>
<td>(108,877)</td>
<td>12,317</td>
</tr>
</tbody>
</table>

The notes form an integral part of these unaudited condensed interim consolidated financial statements.
## SOPHiA Genetics SA, Saint-Sulpice
### Condensed interim consolidated statement of cash flows

For the three months ended March 31, 2021

<table>
<thead>
<tr>
<th>Notes</th>
<th>For the three months ended March 31, 2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(12,493)</td>
<td>(10,519)</td>
</tr>
<tr>
<td><strong>Adjustments for non-monetary items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>460</td>
<td>465</td>
</tr>
<tr>
<td>Amortization</td>
<td>220</td>
<td>120</td>
</tr>
<tr>
<td>Interest expense</td>
<td>81</td>
<td>194</td>
</tr>
<tr>
<td>Interest income</td>
<td>(4)</td>
<td>(11)</td>
</tr>
<tr>
<td>Expected credit loss allowance</td>
<td>7</td>
<td>(75)</td>
</tr>
<tr>
<td>Other non-cash items of income and expense</td>
<td>10</td>
<td>746</td>
</tr>
<tr>
<td><strong>Working capital changes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in accounts receivable—trade</td>
<td>(1,172)</td>
<td>759</td>
</tr>
<tr>
<td>(Increase)/decrease in other current assets</td>
<td>445</td>
<td>814</td>
</tr>
<tr>
<td>(Increase)/decrease in inventory</td>
<td>77</td>
<td>126</td>
</tr>
<tr>
<td>Increase/(decrease) in accounts payables</td>
<td>1,630</td>
<td>407</td>
</tr>
<tr>
<td><strong>Cash used in operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax received/(paid)</td>
<td>—</td>
<td>(83)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(36)</td>
<td>(166)</td>
</tr>
<tr>
<td>Interest received</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>Net cash flows used in operating activities</strong></td>
<td>(10,121)</td>
<td>(7,010)</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(71)</td>
<td>(152)</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>(63)</td>
<td>(145)</td>
</tr>
<tr>
<td>Capitalized development costs</td>
<td>(789)</td>
<td>(536)</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(923)</td>
<td>(833)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from exercise of share options</td>
<td>617</td>
<td>327</td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>8</td>
<td>6,856</td>
</tr>
<tr>
<td>Payments of principal portion of lease liabilities</td>
<td>(256)</td>
<td>(243)</td>
</tr>
<tr>
<td>Repayments of borrowings</td>
<td>8</td>
<td>(1,658)</td>
</tr>
<tr>
<td><strong>Net cash flow from/(used) in financing activities</strong></td>
<td>(1,297)</td>
<td>6,134</td>
</tr>
<tr>
<td><strong>Increase/(decrease) in cash and cash equivalents</strong></td>
<td>(12,341)</td>
<td>(1,709)</td>
</tr>
<tr>
<td>Effect of exchange differences on cash balances</td>
<td>(5,171)</td>
<td>131</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>74,625</td>
<td>18,069</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of the period</strong></td>
<td>57,113</td>
<td>16,491</td>
</tr>
</tbody>
</table>

The notes form an integral part of these unaudited condensed interim consolidated financial statements.
SOPHiA Genetics SA, Saint-Sulpice

Notes to the unaudited condensed interim consolidated financial statements

1. Company information

General information

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

As at March 31, 2021 and throughout the period since January 1, 2020 the Group had the following wholly owned subsidiaries:

<table>
<thead>
<tr>
<th>Name</th>
<th>Country of domicile</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOPHiA GENETICS S.A.S.</td>
<td>France</td>
</tr>
<tr>
<td>SOPHiA GENETICS LTD</td>
<td>UK</td>
</tr>
<tr>
<td>SOPHiA GENETICS, Inc.</td>
<td>USA</td>
</tr>
<tr>
<td>SOPHiA GENETICS Intermediação de Negócios EIRELI</td>
<td>Brazil</td>
</tr>
</tbody>
</table>

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

The Group’s Board of Directors approved the issue of the unaudited condensed interim consolidated financial statements on July xx, 2021.

Basis of preparation

Compliance with International Financial Reporting Standards

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

Accounting policies

The significant accounting policies adopted in the preparation of these unaudited condensed interim consolidated financial statements are the same as those applied in the Group’s annual consolidated financial statements as of and for the year ended December 31, 2020 and have been consistently applied, unless otherwise stated. Where expense is definitively calculated only on an annual basis, as is the case for income taxes and pension costs, appropriate estimates are made for interim reporting periods.
Income tax expense
Taxes on income in the interim periods are accrued using the tax rates that would be applicable to the expected annual profit or loss of each of the group entities.

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

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

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

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

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

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

2. Fair Value
At March 31, 2021, the carrying amount was a reasonable approximation of fair value for the following financial assets and liabilities:

- Cash and cash equivalents
- Term deposits and short-term investments
- Accounts receivable—trade
- Other non-current assets—lease deposits and lease receivable
- Accounts payable—trade
3. Financial Risk Management

In the course of its business, the Group 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 condensed interim 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 Group’s consolidated financial statements as of December 31, 2020. There have been no significant changes in financial risk management since year-end.

4. Segment Reporting

The Group operates in a single operating segment. The Group’s financial information is reviewed and its performance assessed as a single segment by the senior management team (the Chief Operating Decision-Maker), led by the Chief Executive Officer (“CEO”).

An analysis of revenue by destination country is presented below:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>For the three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>France</td>
<td>1,896</td>
</tr>
<tr>
<td>Italy</td>
<td>1,347</td>
</tr>
<tr>
<td>United States</td>
<td>765</td>
</tr>
<tr>
<td>Spain</td>
<td>825</td>
</tr>
<tr>
<td>Brazil</td>
<td>275</td>
</tr>
<tr>
<td>Austria</td>
<td>489</td>
</tr>
<tr>
<td>Turkey</td>
<td>384</td>
</tr>
<tr>
<td>Germany</td>
<td>416</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>331</td>
</tr>
<tr>
<td>Switzerland</td>
<td>387</td>
</tr>
<tr>
<td>Other</td>
<td>1,861</td>
</tr>
<tr>
<td>Total revenue</td>
<td>8,976</td>
</tr>
</tbody>
</table>
5. Revenue

Revenue streams

The Group’s revenue from contracts with customers has been allocated to the revenue streams indicated below.

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>For the three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>SOPHiA platform</td>
<td>8,739</td>
</tr>
<tr>
<td>Workflow equipment and services</td>
<td>237</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>8,976</td>
</tr>
</tbody>
</table>

### Contract assets and liabilities

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

#### Accrued contract revenue

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at March 31,</th>
<th>As at December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Accrued contract revenue before loss allowance</td>
<td>82</td>
<td>262</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Accrued contract revenue net of loss allowance</strong></td>
<td><strong>82</strong></td>
<td><strong>262</strong></td>
</tr>
</tbody>
</table>

#### Deferred contract costs

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at March 31,</th>
<th>As at December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Current</td>
<td>27</td>
<td>18</td>
</tr>
<tr>
<td>Non-current</td>
<td>6</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total deferred contract cost</strong></td>
<td><strong>33</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

#### Deferred contract revenue

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>As at March 31,</th>
<th>As at December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Current</td>
<td>3,606</td>
<td>2,642</td>
</tr>
<tr>
<td>Non-current</td>
<td>136</td>
<td>142</td>
</tr>
<tr>
<td><strong>Total deferred contract revenue</strong></td>
<td><strong>3,742</strong></td>
<td><strong>2,784</strong></td>
</tr>
</tbody>
</table>

6. Loss per share

Share data have been revised to give effect to the share split explained in note 1, “Basis of preparation—Share split.”
The Company’s shares comprise four classes of ordinary and preferred shares. Each share has a nominal value of CHF 0.05, regardless of share class. The net loss is allocated to each class pro rata to its weighted average number of shares in issue during the period. The basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the period.

<table>
<thead>
<tr>
<th>In USD thousands and except share and per share data</th>
<th>Ordinary shares</th>
<th>Class D preferred shares</th>
<th>Class E preferred shares</th>
<th>Class F preferred shares</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months ended March 31, 2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributed to shareholders</td>
<td>(6,189)</td>
<td>(2,171)</td>
<td>(1,850)</td>
<td>(2,458)</td>
<td>(12,668)</td>
</tr>
<tr>
<td>Weighted average number of shares in issue</td>
<td>23,458,213</td>
<td>8,230,220</td>
<td>7,014,040</td>
<td></td>
<td>9,316,940</td>
</tr>
<tr>
<td>Basic and diluted loss per share in USD</td>
<td>(0.26)</td>
<td>(0.26)</td>
<td>(0.26)</td>
<td>(0.26)</td>
<td></td>
</tr>
<tr>
<td>3 months ended March 31, 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributed to shareholders</td>
<td>(6,351)</td>
<td>(2,260)</td>
<td>(1,926)</td>
<td></td>
<td>(10,537)</td>
</tr>
<tr>
<td>Weighted average number of shares in issue</td>
<td>23,132,894</td>
<td>8,230,220</td>
<td>7,014,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic and diluted loss per share in USD</td>
<td>(0.27)</td>
<td>(0.27)</td>
<td>(0.27)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For the 3 months ended March 31, 2021 and 2020, the potential impact, on the calculation of loss per share, of the existing potential ordinary shares related to the share option plans 2013 and 2019 (see note 9, “Share-based compensation”) is not presented, as the impact would be to dilute a loss, which causes them to be deemed “not dilutive” for the purposes of the required disclosure.

7. Accounts receivable—trade

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>March 31, 2021</th>
<th>December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable—trade</td>
<td>9,871</td>
<td>9,027</td>
</tr>
<tr>
<td>Allowance for expected credit losses</td>
<td>(2,479)</td>
<td>(2,664)</td>
</tr>
<tr>
<td>Net accounts receivable</td>
<td>7,392</td>
<td>6,363</td>
</tr>
</tbody>
</table>

The movement in the allowance for expected credit losses in accounts receivable—trade is set out below.

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>2,664</td>
<td>1,831</td>
</tr>
<tr>
<td>Reversals</td>
<td>302</td>
<td>415</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>(377)</td>
<td>(93)</td>
</tr>
<tr>
<td>As at March 31,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at March 31,</td>
<td>2,479</td>
<td>2,131</td>
</tr>
</tbody>
</table>

At March 31, 2021 the Group’s largest customer balance represented 7% of accounts receivable—trade (December 31, 2020: 5%). All customer balances that individually exceeded 1% of accounts receivable—trade in aggregate amounted to USD 3,587 thousand (December 31, 2020: USD 4,512 thousand).
8. Borrowings

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January 1, 2021</strong></td>
<td>$3,330</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>($1,658)</td>
</tr>
<tr>
<td>Transfer to deferred government grant income</td>
<td>39</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>9</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>($89)</td>
</tr>
<tr>
<td><strong>March 31, 2021</strong></td>
<td>$1,631</td>
</tr>
<tr>
<td>Current</td>
<td>$1,631</td>
</tr>
<tr>
<td>Non-current</td>
<td>—</td>
</tr>
<tr>
<td><strong>January 1, 2020</strong></td>
<td>$3,838</td>
</tr>
<tr>
<td>New borrowing proceeds</td>
<td>$15,839</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>($16,529)</td>
</tr>
<tr>
<td>Transfer to deferred government grant income</td>
<td>($163)</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>$513</td>
</tr>
<tr>
<td>Interest paid</td>
<td>($435)</td>
</tr>
<tr>
<td>Currency translation differences</td>
<td>267</td>
</tr>
<tr>
<td><strong>December 31, 2020</strong></td>
<td>$3,330</td>
</tr>
<tr>
<td>Current</td>
<td>$2,873</td>
</tr>
<tr>
<td>Non-current</td>
<td>$457</td>
</tr>
</tbody>
</table>

**EUR 5.15 million 9.75% loan**

On June 18, 2018, the Company signed the Plain English Growth Capital Loan Agreement with TriplePoint Capital LLC. The Company issued a Plain English Growth Capital Promissory Note and received a loan of EUR 5,150 thousand. The purpose of the loan was to finance the acquisition of Interactive Biosoftware, a company based in France. The loan bore an annual interest of 9.75% (Prime Rate plus 4.75%) and the Company agreed to pay a terminal amount of EUR 322 thousand equal to 6.25% of this Promissory Note, on June 1, 2021 (end of term payment). This 3-year borrowing was payable in monthly installments with principal repayments starting as of January 1, 2019. The loan was subject to a number of general covenants. The interest expense was calculated by applying the effective interest rate method to the initial fair value of the loan and to the actual cash outflows resulting from the payment of interest and repayment of the principal. The loan was subsequently carried at amortized cost.

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

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

**COVID loans**

During 2020, the Group took advantage of financing opportunities put in place by governments in jurisdictions where it has its affiliates in order to support businesses during the spread of the COVID-19 pandemic.
The following loans were granted:

- On March 26, 2020, SOPHiA GENETICS SA was granted a CHF 500 thousand loan from Credit Suisse maturing on March 26, 2025. This loan carried an interest of 0% and was scheduled to be repaid in eight equal semi-annual installments starting on September 26, 2021. The Company repaid this loan early on March 26, 2021 using cash on hand.

- On May 29, 2020, SOPHiA GENETICS SAS was granted a EUR 1,400 thousand loan from Credit Agricole Pyrénées Gascogne maturing on May 31, 2021. This loan carried an interest rate of 0% and was subject to a 0.25% state guarantee fee. It was repaid on maturity.

- On May 29, 2020, SOPHiA GENETICS SA was granted a CHF 1,000 thousand loan from Credit Suisse maturing on January 31, 2021. This loan carried an interest rate of 1.175% and was repaid on maturity.

9. Share-based compensation

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

The plans

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

The options have a life of ten years. Options under the 2013 ISOP vest 50% after two years and a further 50% after one more year. Options under the 2019 ISOP vest 25% per year after each of the first four years. As at December 31, 2020, under both plans, in the event of a change of control or an initial public offering (“IPO”), all unvested shares vest immediately. On April 22, 2021, the Board amended the vesting rights in the event of an IPO (see note 12, “Events after the reporting date,” for further details). For the purposes of recognizing the cost of share-based compensation, the fair value of options granted has been allocated to reporting periods on the basis of the vesting conditions effective at the time of grant.

Movement in share options during the three months ended March 31

<table>
<thead>
<tr>
<th>ISOP 2013</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of options</td>
<td>Weighted average exercise price (in USD)</td>
</tr>
<tr>
<td>At January 1</td>
<td>1,751,560</td>
<td>3.10</td>
</tr>
<tr>
<td>Exercised</td>
<td>(151,000)</td>
<td>3.48</td>
</tr>
<tr>
<td>At March 31</td>
<td>1,600,560</td>
<td>3.23</td>
</tr>
<tr>
<td>Exercisable at March 31</td>
<td>1,299,060</td>
<td>3.12</td>
</tr>
</tbody>
</table>
## ISOP 2019

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of options</td>
<td>Weighted average exercise price (in USD)</td>
</tr>
<tr>
<td><strong>At January 1</strong></td>
<td>1,972,500</td>
<td>4.22</td>
</tr>
<tr>
<td>Granted</td>
<td>1,329,000</td>
<td>6.22</td>
</tr>
<tr>
<td>Forfeited</td>
<td>(13,000)</td>
<td>4.42</td>
</tr>
<tr>
<td>Exercised</td>
<td>(22,500)</td>
<td>6.22</td>
</tr>
<tr>
<td><strong>At March 31</strong></td>
<td>3,266,000</td>
<td>5.22</td>
</tr>
<tr>
<td>Exercisable at March 31</td>
<td>201,000</td>
<td>4.42</td>
</tr>
</tbody>
</table>

### Share options outstanding at year end

#### 2013 ISOP

Options outstanding at March 31, 2021 under the 2013 ISOP expire between 2021 and 2029.

The weighted average remaining contractual life of options outstanding at the end of the period is 6.10 years (March 31, 2020: 7.12 years).

#### 2019 ISOP

Options outstanding at March 31, 2021 under the 2019 ISOP expire between 2029 and 2031.

The weighted average remaining contractual life of options outstanding at the end of the period is 9.29 years (March 31, 2020: 9.53 years).

### Measuring the cost of share options

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

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

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

The key inputs used in the valuation model, for the stock options granted in the three months ended March 31, are outlined below. They relate entirely to the 2019 ISOP as no grants have been made under the 2013 ISOP since 2019.

F-75
The price of the ordinary shares at grant date, which represents a critical input into this model, has been determined on one of the following two bases:

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

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

The weighted average fair value of options granted during the 3 months ended March 31 was:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 ISOP</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2019 ISOP</td>
<td>2.34</td>
<td>1.69</td>
</tr>
</tbody>
</table>

Movements in the share-based compensation reserve were as follows:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>2013 ISOP</th>
<th>2019 ISOP</th>
<th>Share-based compensation total</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at January 1, 2021</td>
<td>1,361</td>
<td>1,587</td>
<td>2,948</td>
</tr>
<tr>
<td>Movement in the period</td>
<td>9</td>
<td>630</td>
<td>639</td>
</tr>
<tr>
<td>As at March 31, 2021</td>
<td>1,370</td>
<td>2,217</td>
<td>3,587</td>
</tr>
<tr>
<td>As at January 1, 2020</td>
<td>1,237</td>
<td>352</td>
<td>1,589</td>
</tr>
<tr>
<td>Movement in the period</td>
<td>44</td>
<td>226</td>
<td>270</td>
</tr>
<tr>
<td>As at March 31, 2020</td>
<td>1,281</td>
<td>578</td>
<td>1,859</td>
</tr>
</tbody>
</table>

Commitment to grant options to CEO on IPO

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

On March 25, 2021, the Board formally clarified the conditions of this commitment to grant options to the CEO upon an IPO. Specifically, the Board set the grant date as November 29, 2018, set the strike price at USD 3.33 (CHF 3.15), confirmed the condition of an IPO that valued the Company at a minimum of USD 1.0 billion and set...
the life of the option at five years. On the basis of these terms, the award was valued as of that date at USD 253 thousand. This value will not be updated at a later date as all terms and conditions of the award are now clear. The expense of USD 253 thousand will be recognized in the event that and as of the date that it becomes probable that an IPO that values the Company at a minimum of USD 1.0 billion will occur before November 29, 2023. No expense has been recognized in the periods under review as an IPO could not be regarded as more likely than not.

10. Cash flow

Non-cash items of income and expense

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>For the three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>639</td>
</tr>
<tr>
<td>Intangible asset write-off</td>
<td>—</td>
</tr>
<tr>
<td>Movements in provisions, pensions and government grants</td>
<td>246</td>
</tr>
<tr>
<td>Research tax credit</td>
<td>(139)</td>
</tr>
<tr>
<td><strong>Total other non-cash items of income and expense</strong></td>
<td><strong>746</strong></td>
</tr>
</tbody>
</table>

11. Related party transactions

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

Key management personnel comprised 4 Executive Officers and Directors and 6 Non-Executive Directors (March 31, 2020: 4 and 4 respectively).

Compensation for key management and non-executive directors recognized during the period comprised:

<table>
<thead>
<tr>
<th>In USD thousands</th>
<th>For the three months ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td>Salaries and other short-term employee benefits</td>
<td>508</td>
</tr>
<tr>
<td>Pension costs</td>
<td>19</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>379</td>
</tr>
<tr>
<td>Other compensation</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>950</strong></td>
</tr>
</tbody>
</table>

On March 25, 2021, the Board changed the strike price on 127,000 options granted to the CEO in September 2018 from USD 4.24 (CHF 4.00) to USD 3.33 (CHF 3.15). The Company estimates that the fair value of these options, measured using the same approach as that used to value share options granted since September 2020, increased by USD 62 thousand. This incremental cost is now being recognized as an expense over the period from March 25, 2021 until the end of the vesting period of the original grant.

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

F-77
12. Events after the reporting date

New loans
On April 1, 2021, the Company entered into a credit agreement with Credit Suisse that provides for maximum borrowings of up to EUR 2,700 thousand (USD 3,166 thousand) (the “Credit Facility”). Borrowings under the Credit Facility accrue interest at 3.95% per annum and are repayable in installments over 36 months. Borrowings under the Credit Facility can only be used to finance laboratory automation equipment for NGS purposes. As of the date of these unaudited condensed interim consolidated financial statements, the Group had no borrowings outstanding under the Credit Facility.

Share options
As explained in note 9, “Share-based compensation,” as at March 31, 2020, under both plans, in the event of a change of control or an IPO, all unvested shares would vest immediately. On April 22, 2021, the Board amended the 2019 ISOP to the effect that, in the event of a successful IPO or public listing of the Company’s shares, only those unvested options that otherwise would vest within six months following the effective date of the IPO or such public listing should become fully vested immediately as of such date (accelerated vesting). The remaining unvested options (i.e., unvested options that would only vest after the six-month period following the effective date of the IPO or public listing) would not be subject to accelerated vesting and, subject to certain conditions, would vest on the basis of the original vesting schedule.

On April 22, 2021, the Board further decided that, irrespective of a successful IPO or public listing of the Company, no options could be exercised from May 1, 2021, to December 31, 2021, and to accelerate the vesting of options that would otherwise vest during that period.

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

Lease commitments
On March 3, 2021, SOPHiA GENETICS SA entered into a new office rent agreement for a 10-year period starting on July 1, 2021. The expected lease commitments resulting from this contract are USD 179 thousand in 2021, USD 571 thousand in 2022 and USD 1,159 thousand from 2023 onwards. They are linked to changes in the Swiss Consumer Price Index as published by Swiss Federal Statistical Office.

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

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

Other
There were no other significant events subsequent to the issue date of these unaudited condensed interim consolidated financial statements.
Until , 2021 (25 days after the date of this prospectus), all dealers that effect transactions in the ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers’ obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.


## Part II

### Information not required in the prospectus

#### Item 6. Indemnification of Directors and Officers

Under Swiss law, a corporation may indemnify its directors or officers against losses and expenses (except for such losses and expenses arising from willful misconduct or negligence, although legal scholars advocate that at least gross negligence be required), including attorneys’ fees, judgments, fines and settlement amounts actually and reasonably incurred in a civil or criminal action, suit or proceeding by reason of having been the representative of, or serving at the request of, the corporation.

Subject to Swiss law, our amended and restated articles of association will provide for indemnification of the existing and former members of our board of directors and our executive committee as well as their heirs, executors and administrators, against liabilities arising in connection with the performance of their duties in such capacity, and our amended and restated articles of association will require us to advance the expenses of defending any action, suit or proceeding to existing and former members of our board of directors and our executive committee to the extent not included in insurance coverage or advanced by third parties.

In addition, under general principles of Swiss employment law, an employer may be required to indemnify an employee against losses and expenses incurred by such employee in the proper execution of their duties under the employment agreement with the Company.

We have entered into indemnification agreements with each of the members of our board of directors and executive officers, the form of which has been filed as an exhibit to this Registration Statement.

In the underwriting agreement that we will enter into in connection with the sale of the ordinary shares being registered hereby, a form of which is filed as Exhibit 1.1 to this Registration Statement, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), against certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company, the Company has been advised that, in the opinion of the Securities and Exchange Commission (“SEC”), such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

#### Item 7. Recent Sales of Unregistered Securities

During the past three years, we have issued and sold the securities described below without registering the securities under the Securities Act. In this section, share amounts are presented as of the date of the relevant transaction, without accounting for (i) the one-to-twenty share split of all issued shares, which was effected on June 30, 2021, and (ii) the conversion on a one-to-one basis of our issued preferred shares into ordinary shares.

<table>
<thead>
<tr>
<th>Name or Class of Purchasers</th>
<th>Date of Issuance</th>
<th>Title of Securities</th>
<th>Number of Securities</th>
<th>Consideration (in USD millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors, officers and employees</td>
<td>June 9, 2021 (date of update of articles of association)</td>
<td>Ordinary shares</td>
<td>74,265</td>
<td>5.3</td>
</tr>
<tr>
<td>Various private equity investment funds, institutional investors and other persons</td>
<td>June 25, 2020</td>
<td>Series F preferred shares</td>
<td>465,847</td>
<td>108.7</td>
</tr>
<tr>
<td>Directors, officers and employees</td>
<td>September 23, 2020</td>
<td>Ordinary shares</td>
<td>39,975</td>
<td>2.1</td>
</tr>
</tbody>
</table>

II-1
The offers, sales and issuances of the securities described in the preceding table were exempt from registration either (i) under Section 4(a)(2) of the Securities Act and the rules and regulations promulgated thereunder in that the transactions were between an issuer and sophisticated investors or members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2), (ii) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States, (iii) under Rule 144A under the Securities Act in that the shares were offered and sold by the initial purchasers to qualified institutional buyers or (iv) under Rule 701 promulgated under the Securities Act in that the transactions were under compensatory benefit plans and contracts relating to compensation.

Item 8. Exhibits and Financial Statement Schedules

Exhibits
The exhibit index attached hereto is incorporated herein by reference.

Financial Statements Schedules
All schedules have been omitted because they are not required or are not applicable, or the information is otherwise set forth in the consolidated financial statements and related notes thereto.

Item 9. Undertakings
The undersigned hereby undertakes:

(a) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective;

(b) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(c) insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that, in the opinion of the SEC, such indemnification is
against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless, in the opinion of its counsel, the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue; and

(d) to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
### Exhibit index

The following documents are filed as part of this registration statement:

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1*</td>
<td>Form of Underwriting Agreement</td>
</tr>
<tr>
<td>3.1</td>
<td>Form of Amended and Restated Articles of Association of SOPHiA GENETICS SA, to be in effect immediately prior to the consummation of this offering</td>
</tr>
<tr>
<td>5.1*</td>
<td>Opinion of Homburger AG, Swiss counsel of SOPHiA GENETICS SA, as to the validity of the ordinary shares</td>
</tr>
<tr>
<td>10.1#</td>
<td>Exclusive License Agreement of Patents and Results between SOPHiA GENETICS SA and ComUE Normandy University, INSERM Transfert SA, The Henri Becquerel Centre and The University of Rouen Normandy, dated March 19, 2018</td>
</tr>
<tr>
<td>10.2#</td>
<td>Exclusive License Agreement of Patents and Results between SOPHiA GENETICS SA and ComUE Normandy University, INSERM Transfert SA, The Henri Becquerel Centre and The University of Rouen Normandy, dated May 29, 2019</td>
</tr>
<tr>
<td>10.3#</td>
<td>Software Sublicense Agreement between SOPHiA GENETICS SA and SATT Aquitaine, Aquitaine Science Transfert, SAS, dated November 30, 2017</td>
</tr>
<tr>
<td>10.4#</td>
<td>Agreement for the Co-Marketing of Products and Services between SOPHiA GENETICS SA and Agilent Technologies, Inc., dated December 18, 2020</td>
</tr>
<tr>
<td>10.5#</td>
<td>Amended and Restated Manufacturing and Supply Agreement between SOPHiA GENETICS SA and Integrated DNA Technologies, Inc., dated October 9, 2018</td>
</tr>
<tr>
<td>10.6#</td>
<td>Amendment No. 1 to Manufacturing and Supply Agreement between SOPHiA GENETICS SA and Integrated DNA Technologies, Inc., dated May 4, 2019</td>
</tr>
<tr>
<td>10.7#</td>
<td>OEM Supply Agreement between SOPHiA GENETICS SA and QIAGEN GmbH, dated as of January 19, 2018</td>
</tr>
<tr>
<td>10.8#</td>
<td>Amendment No. 1 to the SOPHiA GENETICS SA Agreement between SOPHiA GENETICS SA and QIAGEN GmbH, dated June 7, 2019</td>
</tr>
<tr>
<td>10.9#</td>
<td>Supply Agreement between SOPHiA GENETICS SA and Twist Biosciences Corporation, dated November 12, 2019</td>
</tr>
<tr>
<td>10.10§</td>
<td>SOPHiA GENETICS Incentive Stock Option Plan</td>
</tr>
<tr>
<td>10.11§</td>
<td>SOPHiA GENETICS 2019 Incentive Stock Option Plan</td>
</tr>
<tr>
<td>10.12§</td>
<td>SOPHiA GENETICS 2021 Equity Incentive Plan</td>
</tr>
<tr>
<td>10.13§</td>
<td>Letter from Ernst &amp; Young Ltd regarding statements made in the registration statement concerning its dismissal</td>
</tr>
<tr>
<td>15.1</td>
<td>List of subsidiaries</td>
</tr>
<tr>
<td>21.1</td>
<td>Consents of PricewaterhouseCoopers SA</td>
</tr>
<tr>
<td>21.2*</td>
<td>Consent of Homburger AG, Swiss counsel of SOPHiA GENETICS SA (included in Exhibit 5.1)</td>
</tr>
<tr>
<td>24.1</td>
<td>Powers of attorney (included on signature page to the registration statement)</td>
</tr>
</tbody>
</table>

* To be filed by amendment.  
** Previously filed.  
# Portions of this exhibit have been omitted because they are both (i) not material and (ii) customarily and actually treated by the registrant as private or confidential.  
§ Indicates a management contract or compensatory plan.
Signatures

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the municipality of Saint-Sulpice, Switzerland on July 2, 2021.

SOPHiA GENETICS SA

By: /s/ Jurgi Camblong
Name: Jurgi Camblong
Title: Chief Executive Officer
KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Jurgi Camblong, Ross Muken and Daan van Well and each of them, individually, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead in any and all capacities, in connection with this registration statement, including to sign in the name and on behalf of the undersigned, this registration statement and any and all amendments thereto, including post-effective amendments and registrations filed pursuant to Rule 462 under the Securities Act, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto such attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons on July 2, 2021 in the capacities indicated:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Jurgi Camblong</td>
<td>Chief Executive Officer and Director (principal executive officer)</td>
</tr>
<tr>
<td>Jurgi Camblong</td>
<td></td>
</tr>
<tr>
<td>/s/ Ross Muken</td>
<td>Chief Financial Officer (principal financial officer and principal accounting officer)</td>
</tr>
<tr>
<td>Ross Muken</td>
<td></td>
</tr>
<tr>
<td>/s/ Troy Cox</td>
<td>Chairman of the Board of Directors</td>
</tr>
<tr>
<td>Troy Cox</td>
<td></td>
</tr>
<tr>
<td>/s/ Tomer Berkovitz</td>
<td>Director</td>
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<td>Tomer Berkovitz</td>
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<tr>
<td>/s/ Kathy Hibbs</td>
<td>Director</td>
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<td>Kathy Hibbs</td>
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<tr>
<td>/s/ Didier Hirsch</td>
<td>Director</td>
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<td>Didier Hirsch</td>
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<td>/s/ Vincent Ossipow</td>
<td>Director</td>
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<td>Vincent Ossipow</td>
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<tr>
<td>/s/ Milton Silva-Craig</td>
<td>Director</td>
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<td>Milton Silva-Craig</td>
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<tr>
<td>/s/ Ross Muken</td>
<td>Authorized Representative in the United States</td>
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<tr>
<td>Ross Muken</td>
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<tr>
<td>SOPHiA GENETICS, Inc.</td>
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II-6
ARTICLES OF ASSOCIATION
OF SOPHIA GENETICS SA

STATUTS
DE SOPHIA GENETICS SA
Section 1
Name, registered office, purpose and duration of the Company

Article 1
Under the name SOPHiA GENETICS SA (the Company) exists a corporation with its registered office in Saint-Sulpice, Canton of Vaud, governed by these articles of association (the Articles of Association) and the Swiss Code of Obligations (CO).

Article 2
1 The Company’s purpose is the management, preservation and storage of archives of all types, in particular computer and paper archives, as well as the design, development, maintenance, sale and lease of systems, products and services in connection therewith; the development, management and transfer of licenses and franchise agreements in connection therewith, as well as the preservation and archiving of data in the genetic field. The Company may carry out any financial, commercial or industrial activities, in movable or real property, in direct or indirect connection with its purpose.

2 The Company may open branch offices and subsidiaries in Switzerland and abroad. It may also acquire participations or otherwise invest in other companies in Switzerland and abroad.

3 The Company may acquire, hold, manage, mortgage, exploit and sell real estate and intellectual property rights in Switzerland and abroad and may also finance other companies.

Section 1
Raison sociale, siège, but et durée de la Société

Article 1
Sous la raison sociale SOPHiA GENETICS SA (la Société) existe une société anonyme avec siège à Saint-Sulpice, Canton de Vaud, régie par les présents statuts (les Statuts) et le Code suisse des obligations (CO).

Article 2
1 La Société a pour but la gestion, la conservation et l’entreposage d’archives de toute nature, notamment d’archives informatiques et de papiers ainsi que la conception, la réalisation, la maintenance, la vente et la location de systèmes, produits et services s’y rapportant; le développement, la gestion et le transfert de licences et contrats de franchise y relatives, ainsi que la conservation et l’archivage de données dans le domaine de la génétique. La Société peut exercer toute activité financière, commerciale ou industrielle, mobilière ou immobilière, en rapport direct ou indirect avec son but.

2 La Société peut constituer des succursales et des filiales en Suisse et à l’étranger et participer à ou investir autrement dans d’autres entreprises en Suisse et à l’étranger.

3 La Société peut acquérir, détenir, gérer, gager, mettre en valeur et aliéner des immeubles et des droits de propriété intellectuelle en Suisse et à l’étranger, ainsi que financer d’autres sociétés.
<table>
<thead>
<tr>
<th>Article 3</th>
<th>Article 3</th>
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<tbody>
<tr>
<td><strong>Duration</strong></td>
<td><strong>Durée</strong></td>
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<tr>
<td>The duration of the Company shall be unlimited.</td>
<td>La durée de la Société est illimitée.</td>
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<thead>
<tr>
<th>Section 2</th>
<th>Section 2</th>
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<tbody>
<tr>
<td><strong>Share capital, shares, restrictions of transferability</strong></td>
<td><strong>Capital-actions, actions et restrictions à la transmissibilité</strong></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Article 4</th>
<th>Article 4a</th>
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<tbody>
<tr>
<td><strong>Share capital</strong></td>
<td><strong>Authorized share capital</strong></td>
</tr>
<tr>
<td>The share capital of the Company is CHF [●] and is divided into [●] fully paid in registered shares with a par value of CHF 0.05 each.</td>
<td>Capital-actions</td>
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<tr>
<th>Article 4a</th>
<th>Article 4a</th>
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<tr>
<td>1 The Board of Directors shall be authorized to increase the share capital at any time, including in connection with an intended takeover, until June 27, 2023 at the latest, by a maximum amount of CHF 1,450,000 by issuing a maximum of 29,000,000 fully paid in registered shares with a par value of CHF 0.05 each. Increases in partial amounts shall be permissible.</td>
<td>1 Le Conseil d’Administration est autorisé à augmenter le capital-actions d’un montant maximum de CHF 1’450’000, en tout temps, y compris en lien avec une future offre publique d’acquisition, mais jusqu’au 27 juin 2023 au plus tard, par l’émission d’un maximum de 29’000’000 actions nominatives d’une valeur nominale de CHF 0.05 chacune, qui doivent être intégralement libérées. Des augmentations par montants partiels sont autorisées.</td>
</tr>
</tbody>
</table>

| 2 The subscription and acquisition of the new shares, as well as any subsequent transfer of the shares, shall be subject to the restrictions pursuant to article 6 of these Articles of Association. | 2 La souscription et l’acquisition des nouvelles actions, ainsi que tout transfert ultérieur des actions, sont assujettis aux restrictions à la transmissibilité conformément à l’article 6 des Statuts. |

| 3 The Board of Directors shall determine the issue price, the type of contribution, the date of issue, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm | 3 Le Conseil d’Administration détermine le prix d’émission, la nature des apports, le moment de l’émission, les conditions de l’exercice du droit de souscription préférentiel et le moment à partir duquel les actions donneront droit à des dividendes. A cet effet, le Conseil |
underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the pre-emptive rights of the existing shareholders have been withdrawn or have not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trading of pre-emptive rights. It may permit the expiration of pre-emptive rights that have not been exercised, or it may place such rights or shares as to which pre-emptive rights have been granted, but not exercised, at market conditions or may use them otherwise in the interest of the Company.

4 The Board of Directors is further authorized to withdraw or restrict pre-emptive rights of existing shareholders and to allocate such rights to third parties, the Company or any of its group companies:

(a) if the issue price of the new shares is determined by reference to the market price; or

(b) for raising capital in a fast and flexible manner, which would not be possible, or might only be possible with great difficulty or delays or at significantly less favorable conditions, without the exclusion of the pre-emptive rights of existing shareholders; or

(c) for the acquisition of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or licenses by or for investment projects of the Company or any of its group companies, or for the financing or refinancing of any of such transactions through a placement of shares; or
(d) for purposes of broadening the shareholder constituency of the Company in certain geographic, financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new shares on domestic or foreign stock exchanges; or

(e) for purposes of granting an over-allotment option (Greenshoe) or an option to subscribe for additional shares in a placement or sale of shares to the respective initial purchaser(s) or underwriter(s); or

(f) for the participation of members of the board of directors (or equivalent corporate body), members of the executive management, employees, contractors, consultants, or other persons performing services for the benefit of, the Company or any of its group companies; or

(g) following a shareholder or a group of shareholders acting in concert having accumulated shareholdings in excess of 15% of the share capital registered in the commercial register without having submitted to all other shareholders a takeover offer recommended by the Board of Directors; or

(h) for the defense of an actual, threatened or potential takeover bid that the Board of Directors, upon consultation with an independent financial adviser retained by it, has not recommended or will not recommend to the shareholders to accept on the basis that the Board of Directors does not find such takeover bid to be (i) financially fair to the shareholders or (ii) in the Company’s interest.
Conditional share capital for employee participation

1 The share capital may be increased in an amount not to exceed CHF 580,000 through the issuance of up to 11,600,000 fully paid in registered shares with a par value of CHF 0.05 per share through the direct or indirect issuance of shares, options or related subscription rights to members of the board of directors (or equivalent corporate body), members of the executive management, employees, contractors or consultants of the Company or its group companies, or other persons providing services to the Company or its group companies.

2 The pre-emptive rights and advance subscription rights of the shareholders of the Company shall be excluded in connection with the issuance of any shares, options, other rights to receive shares, or subscription rights therefor. Shares, options, other rights to receive shares, or subscription rights therefor shall be issued pursuant to one or more regulations to be issued by the Board of Directors or, to the extent delegated to it, the Compensation Committee, and to the extent applicable, taking into account the compensation principles pursuant to article 28 of these Articles of Association. Shares, options, other rights to receive shares, or subscription rights therefor may be issued at a price or with an exercise price lower than the market price.

3 The direct or indirect acquisition of the new shares by persons listed in paragraph 1 of this article 4b in connection with an employee participation program, as well as any subsequent transfer of such shares, shall be subject to the restrictions of article 6 of these Articles of Association.

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Capital-actions conditionnel pour la participation des employés

1 Le capital-actions peut être augmenté d’un montant maximum de CHF 580’000 par l’émission de 11’600’000 actions nominatives au plus, d’une valeur nominale de CHF 0.05 chacune, qui doivent être intégralement libérées, par l’émission directe ou indirecte d’actions, d’options ou de droits de souscription y relatifs, octroyés à des membres du conseil d’administration (ou d’un organe équivalent), des membres de la direction, des employés, des co-contractants ou des consultants de la Société ou de l’une des sociétés du groupe, ou d’autres personnes exerçant des services au bénéfice de la Société ou de l’une des sociétés du groupe.

2 Le droit de souscription préférentiel ainsi que le droit de souscription préalable des actionnaires de la Société sont exclus en relation avec l’émission de toutes actions, options, autres droits à recevoir des actions ou des droits de souscription qui y sont attachés. L’émission d’actions, d’options, d’autres droits à recevoir des actions ou des droits de souscription qui y sont attachés est faite selon un ou plusieurs règlements adoptés par le Conseil d’Administration ou le Comité de Rémunération, dans la mesure où cette compétence lui a été déléguée, et, le cas échéant, en tenant compte des principes de rémunération selon l’article 28 des Statuts. L’émission d’actions, d’options, d’autres droits à recevoir des actions ou des droits de souscription qui y sont attachés peut se faire à un prix ou avec un prix d’exercice en-dessous du prix du marché.

3 L’acquisition directe ou indirecte de nouvelles actions par des personnes mentionnées à l’alinéa 1 du présent article 4b dans le cadre d’un programme de participation des collaborateurs, ainsi que le transfert subséquent de ces actions, sont assujettis aux restrictions à la transmissibilité conformément à l’article 6 des Statuts.
Conditional share capital for financing, acquisitions and other purposes

Article 4c

1 The share capital may be increased including in connection with an intended takeover in an amount not to exceed CHF 870,000 through the issuance of up to 17,400,000 fully paid in registered shares with a par value of CHF 0.05 per share through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights or obligations for the subscription of shares granted to shareholders or third parties on a stand-alone basis or in connection with bonds, notes, options, warrants or other securities or contractual obligations of the Company or any of its group companies (collectively, the Financial Instruments).

2 The pre-emptive rights of shareholders shall be excluded for the exercise of any Financial Instruments in connection with the issuance of shares. The then-current owners of such Financial Instruments shall be entitled to acquire the new shares issued upon conversion, exchange or exercise of any Financial Instruments. The main conditions of the Financial Instruments shall be determined by the Board of Directors.

3 The Board of Directors shall be authorized to restrict or withdraw advance subscription rights of shareholders in connection with the issuance of Financial Instruments by the Company or one of its group companies (1) if the issuance is for purposes of financing or refinancing, or the payment for, the acquisition of companies, parts of a company, participations, intellectual property rights, licenses or investments, (2) if the issuance occurs in domestic or international capital markets or through a private placement, (3) following a shareholder or a group

Capital-actions conditionnel aux fins de financement, acquisitions ou d’autres buts

Article 4c

1 Le capital-actions peut être augmenté, y compris en lien avec une future offre publique d’acquisition, d’un montant maximum de CHF 870’000 par l’émission de 17’400’000 actions nominatives au plus, d’une valeur nominale de CHF 0.05 chacune, qui doivent être intégralement libérées par l’exercice ou l’exercice obligatoire de droits de conversion, d’échange, d’option, de warrant ou d’autres droits ou obligations similaires pour la souscription d’actions octroyés aux actionnaires ou à des tiers de manière autonome ou en rapport avec des obligations, effets, options, warrants ou autres instruments financiers ou obligations contractuelles de la Société ou de l’une des sociétés du groupe (collectivement, les Instruments Financiers).


3 Le Conseil d’Administration est autorisé à limiter ou retirer le droit de souscription préalable des actionnaires en relation avec l’émission d’Instruments Financiers par la Société ou une des sociétés du groupe (1) si l’émission a pour but le financement, le refinancement ou le paiement de l’acquisition d’entreprises, de parties d’une entreprise, de participations, de droits de propriété intellectuelle, de licences ou d’investissements, (2) si l’émission a lieu sur les marchés de capitaux nationaux ou internationaux ou par le biais d’un placement privé, (3)
of shareholders acting in concert having accumulated shareholdings in excess of 15% of the share capital registered in the commercial register without having submitted to all other shareholders a takeover offer recommended by the Board of Directors, or (4) for the defense of an actual, threatened or potential takeover bid that the Board of Directors, upon consultation with an independent financial adviser retained by it, has not recommended or will not recommend to the shareholders to accept on the basis that the Board of Directors does not find such takeover bid to be (i) financially fair to the shareholders or (ii) in the Company’s interest. If the advance subscription rights are neither granted directly nor indirectly by the Board of Directors, the following shall apply:

(a) the Financial Instruments shall be issued or entered into at market conditions;
(b) the Financial Instruments may be converted, exchanged or exercised during a maximum period of 10 years from the date of issuance or contract conclusion; and
(c) the conversion, exchange or exercise price of the Financial Instruments shall be set with reference to, and/or shall be subject to change based upon, the valuation of the Company’s equity and/or market conditions.

4 The direct or indirect acquisition of the new shares acquired through the exercise of Financial Instruments, as well as any subsequent transfer of such shares, shall be subject to the restrictions of article 6 of these Articles of Association.

4 Si un actionnaire ou un groupe d’actionnaires agissant de concert a acquis ou réuni une participation de plus de 15% du capital-actions inscrit au registre du commerce sans avoir présenté à tous les autres actionnaires une offre publique d’achat dont l’acceptation a été recommandée par le Conseil d’Administration, ou (4) pour se défendre contre une offre publique d’achat hostile présentée, menaçante ou potentielle dont le rejet est, respectivement sera, recommandé par le Conseil d’Administration, après consultation d’un conseiller financier indépendant qu’il aura choisi, dans la mesure où le Conseil d’Administration estime que l’offre publique d’achat n’est pas (i) équitable d’un point de vue financier vis-à-vis des actionnaires ou (ii) dans l’intérêt de la Société. Si le droit de souscription préalable n’est pas accordé, de manière directe ou indirecte, par le Conseil d’Administration, les règles suivantes s’appliquent:

(a) les Instruments Financiers sont émis ou conclus aux conditions du marché;
(b) les Instruments Financiers peuvent être convertis, échangés ou exercés durant une période maximale de 10 ans suivant la date de l’émission ou de la conclusion du contrat; et
(c) le prix de conversion, d’échange ou d’exercice des Instruments Financiers est fixé en prenant en compte, et/ou peut être modifié en fonction, de la valorisation des fonds propres de la Société et/ou des conditions du marché.

4 L’acquisition de nouvelles actions acquises directement ou indirectement par l’exercice d’Instruments Financiers, ainsi que le transfert subséquent de ces actions, sont assujettis aux restrictions à la transmissibilité conformément à l’article 6 des Statuts.
**Article 5**

1. The Company may issue its registered shares in the form of single certificates, global certificates, uncertificated securities within the meaning of article 973c or 973d CO, or intermediated securities. Subject to applicable law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the cost associated with any such conversion.

2. A shareholder has no right to request a conversion of the registered shares issued in one form into another form. Each shareholder may, however, at any time request from the Company a written confirmation of the registered shares held by such shareholder, as reflected in the share register.

3. Intermediated securities based on registered shares of the Company cannot be transferred by way of assignment. A security interest in any such intermediated securities also cannot be granted by way of assignment.

**Article 6**

1. The Company shall maintain, itself or through a third party, a share register for the registered shares that lists the surname and name (the name of the company in case of a legal entity), the address and domicile (the registered office in case of a legal entity) of the shareholders or usufructuaries. A person registered in the share register shall notify the share registrar of any change of address. Until such notification has occurred, all written communications from the Company to persons registered in the share register shall be deemed to have been validly made if sent to the address previously recorded in the share register.

**Certificats d’actions et titres intermédiais**

1. La Société émet ses actions nominatives sous forme de certificats individuels, de certificats globaux, de droits-valeurs au sens des articles 973c ou 973d CO ou des titres intermédiais. La Société est libre, dans les limites du droit applicable, en tout temps et sans l’approbation des actionnaires, de convertir ses actions nominatives émises sous l’une des formes ci-dessus, en une autre forme. La Société supporte les coûts d’une telle conversion.

2. Un actionnaire n’a pas le droit de réclamer la conversion d’actions nominatives émises sous une certaine forme en une autre forme. Chaque actionnaire peut toutefois exiger en tout temps que la Société établie une attestation relative aux actions nominatives qu’il détient selon le registre des actions.

3. Les titres intermédiais fondés sur des actions nominatives de la Société ne peuvent pas être transférés par cession. Il ne peut pas non plus être constitué de sûretés par cession sur ces titres intermédiais.

**Registre des actions, limitations à l’inscription, Nominees**

1. La Société ou un tiers mandaté par elle tient un registre des actions qui mentionne le nom et le prénom (la raison sociale pour les personnes morales), l’adresse et le domicile (le siège pour les personnes morales) des propriétaires et des usufructuaires. Si une personne inscrite au registre des actions change d’adresse, elle doit le communiquer à la personne en charge de la tenue du registre. Aussi longtemps que cette communication n’a pas eu lieu, toutes les communications écrites de la Société aux personnes inscrites au registre des actions seront valablement envoyées à l’adresse inscrite au registre des actions.
2 Persons acquiring shares shall be registered in the share register as shareholders with voting rights upon their request if they expressly declare to have acquired these shares in their own name and for their own account. Subject to paragraph 4 of this article 6 and article 685d para. 3 CO, no person or entity shall be registered in the share register as a shareholder with voting rights for, and no person or entity may directly or indirectly, formally, constructively or beneficially own, or otherwise control alone or together with third parties voting rights (whether exercisable or not) with respect to more than 15% of the share capital as set forth in the commercial register as a shareholder with voting rights. This restriction shall also apply to persons or entities who hold some or all of their shares through Nominees (as defined in paragraph 4 of this article 6).

3 Subject to Art. 652b para. 3 CO, this transfer restriction also applies in the case of the acquisition of shares by the exercise of subscription, option and conversion rights. The transfer restriction does not apply to acquisitions by inheritance, division of an estate or matrimonial property law.

4 The Board of Directors may, in its own discretion, register persons who declare in the registration application that they hold the shares as nominees (each, a Nominee) on behalf of third party beneficiaries (each, a Beneficial Owner) in the share register as shareholders with voting rights. If, however, any Beneficial Owner should as a result of such registration being made or upheld, directly or indirectly, formally, constructively or beneficially own, or otherwise control or direct, alone or
together with third parties, voting rights (whether exercisable or not) with respect to more than 15% of the share capital as set forth in the commercial register, the Board of Directors may cancel the registration of the Nominee holding shares for the account of such Beneficial Owner with respect to any shares in excess of such limit. The Board of Directors may make the registration with voting rights of the shares held by a Nominee subject to conditions, limitations and reporting requirements or may impose or adjust such conditions, limitations and requirements once registered.

5 Legal entities and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or are otherwise linked, as well as individuals or legal entities or partnerships who act in concert or otherwise act in a coordinated manner or acquire shares indirectly, thereby circumventing the restrictions or limits pursuant to paragraph 2 or 4 of this article 6 shall be treated as one single person, entity, Nominee or as a person acquiring shares, as applicable, for purposes of paragraphs 2 and 4 of this article 6.

6 The Board of Directors may grant exceptions from the restrictions or limits pursuant to paragraph 2 or 4 of this article 6 for justified reasons with the majority vote of two thirds of all its members. A justified reason may include the situation where a person extends an offer to purchase with respect to all other shares of the Company, which the Board of Directors, after having consulted an independent financial advisor, recommends to the shareholders.
7 Shareholders, other than Nominees, already being registered directly or through a Nominee with more than 15% at the time that this article 6 takes effect remain registered with voting rights for such shares. Such privilege may not be transferred by an indirect transfer of shares.

8 After hearing the registered shareholder or Nominee, the Board of Directors may cancel such person’s registration in the share register with retroactive effect as of the date of registration if such registration was made based on false or misleading information or if such information becomes untrue or misleading. The relevant shareholder or Nominee shall be promptly informed of the cancellation.

9 The Board of Directors shall regulate all details and issue the instructions necessary to ensure compliance with the preceding provisions. The Board of Directors may delegate its duties.

Article 7

Exercise of rights

1 The Company shall only accept one representative per share.

2 The voting right and the rights associated therewith may be exercised vis-à-vis the Company by a shareholder, usufructuary or Nominee only to the extent that such person is registered in the share register with voting rights.
Section 3

Corporate bodies

A. The General Meeting

Article 8

1. The general meeting of shareholders (the General Meeting) is the supreme corporate body of the Company.

2. The General Meeting shall have the following inalienable powers:

   1. the adoption and amendment of these Articles of Association;
   2. the election of the members of the Board of Directors, the chair of the Board of Directors (the Chair) and the members of the Compensation Committee;
   3. the election of the Auditors;
   4. the election of the independent voting rights representative;
   5. the approval of the annual management report and the consolidated financial statements;
   6. the approval of the annual financial statements as well as the resolution on the allocation of profit shown on the balance sheet, in particular the determination of dividends;
   7. the discharge from liability of the members of the Board of Directors and the persons entrusted with management;
   8. the approval of the compensation of the Board of Directors and of the executive committee of the Company (the Executive Committee) pursuant to article 26 of these Articles of Association; and
Article 9

Ordinary and extraordinary General Meetings

1. The ordinary General Meeting shall be held each year within six months of the close of the financial year of the Company.

2. Extraordinary General Meetings of Shareholders shall be held if

   (a) the Board of Directors or the Auditors deem it necessary;

   (b) so resolved by a General Meeting; or

   (c) shareholders who hold, alone or together, shares representing at least 10% of the share capital so request in writing, indicating the matters to be discussed and the corresponding proposals and, in case of elections, the names of the nominated candidates.

Article 10

Notice

1. Notice of a General Meeting shall be given by the Board of Directors or, if necessary, by the Auditors, no later than 20 calendar days prior to the date of the meeting. Liquidators and representatives of bondholders are also entitled to call a General Meeting.

2. Des Assemblées Générales extraordinaires ont lieu lorsque

   (a) le Conseil d'Administration ou l'Organe de Révision l'estime nécessaire;

   (b) une Assemblée Générale le décide; ou

   (c) des actionnaires représentant seuls ou ensemble 10% au moins du capital-actions le requièrent par écrit en indiquant les objets de discussion et les propositions, et, en cas d'élections, les noms des candidats proposés.

1. L'Assemblée Générale ordinaire a lieu chaque année dans les six mois qui suivent la clôture de l'exercice social de la Société.

1. L’Assemblée Générale est convoquée par le Conseil d’Administration ou, si nécessaire, par l’Organe de Révision au plus tard 20 jours calendaires avant le jour de l’assemblée. Les liquidateurs et les représentants de détenteurs d’obligations ont également le droit de convoquer l’Assemblée Générale.
2 Notice of the General Meeting shall be given by way of a single announcement in the official means of publication of the Company pursuant to article 35 of these Articles of Association. Registered shareholders may in addition be notified in writing.

3 The annual report, the compensation report and the Auditors’ reports shall be made available for inspection by the shareholders at the registered office of the Company no later than 20 calendar days prior to the ordinary General Meeting. Registered shareholders shall be informed in writing in the notice.

4 The notice shall specify the items on the agenda as well as the proposals of the Board of Directors and the shareholder(s) who requested that a General Meeting be held or an item be included on the agenda and, in the event of elections, the names of the proposed candidates.

Article 11

Agenda

1 Shareholders who, alone or together, either hold shares with a par value of at least CHF 1,000,000 or who represent at least 10% of the share capital may request that an item be included on the agenda. Such request must be made in writing and be received at the registered office of the Company at least 45 calendar days prior to the General Meeting, specifying the agenda item and the proposals of the shareholders.

2 No resolutions may be passed at a General Meeting on proposals concerning agenda items for which proper notice was not given. This provision shall not apply, however, to proposals made during a General Meeting to convene an extraordinary General Meeting or to initiate a special audit. Each request for inclusion of an item on the

Objets à l’ordre du jour

1 Des actionnaires qui représentent seuls ou ensemble des actions totalisant une valeur nominale d’au moins CHF 1’000’000 ou qui représentent au moins 10% du capital-actions peuvent requerir l’inscription d’un objet à l’ordre du jour. La demande doit être faite par écrit et reçue au siège de la Société au moins 45 jours calendaires avant l’Assemblée Générale avec indication des objets à l’ordre du jour et des propositions des actionnaires.

2 Aucune décision ne peut être prise par l’Assemblée Générale sur des objets qui n’ont pas été dûment portés à l’ordre du jour, à l’exception des propositions de convoquer une Assemblée Générale extraordinaire et d’instituer un contrôle spécial. Toute requête visant l’inscription d’un objet à l’ordre du jour doit inclure (i) une
agenda shall include (i) a brief description of the agenda item and the reason for which it is to be discussed at the meeting; (ii) the motions regarding the agenda item; (iii) the name and address, as they appear on the Company’s register of shareholders, of the shareholder proposing such business; (iv) the number of shares of the Company which are beneficially owned by such shareholder; (v) the dates upon which the shareholder acquired such shares; (vi) documentary support for any claim of beneficial ownership; (vii) any material interest of such shareholder in including the item in the agenda; (viii) a statement in support of the matter; and (ix) all other information required under applicable law and stock exchange rules.

3 No prior notice is required to bring motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.

Article 12

1 The Chair of the Board of Directors shall chair the General Meeting. In his absence, the Vice-Chair of the Board of Directors, another member or a person designated by the Board of Directors shall chair the General Meeting. If no member of the Board of Directors is available and no other person has been designated by the Board of Directors, the acting chair shall be elected by the General Meeting.

2 The acting chair of the General Meeting shall appoint the secretary and the vote counter(s), none of whom need be shareholders. The minutes shall be signed by the acting chair of the General Meeting of and the secretary.

3 The acting chair of the General Meeting shall have all powers and authority necessary and appropriate to ensure the orderly conduct of the General Meeting.

Présidence, scrutateurs, procès-verbal

1 Le/la Président/e du Conseil d’Administration préside l’Assemblée Générale. En son absence, le/la Vice-Président/e du Conseil d’Administration, un autre membre ou une personne désignée par le Conseil d’Administration préside l’Assemblée Générale. Si aucun membre du Conseil d’Administration n’est disponible et aucune personne n’a été désignée par le Conseil d’Administration, l’Assemblée Générale élit son/sa président/e.

2 Le/la président/e de l’Assemblée Générale désigne un rédacteur du procès-verbal et le ou les scrutateurs, qui ne doivent pas nécessairement être des actionnaires. Le procès-verbal doit être signé par le/la président/e de l’Assemblée Générale et le/la secrétaire.

3 Le/la président/e de l’Assemblée Générale a tous les pouvoirs nécessaires et appropriés pour s’assurer de la conduite régulière de l’Assemblée Générale.
Article 13

1 Each share shall convey the right to one vote. The voting rights are subject to the conditions of articles 6 and 7 of these Articles of Association.

2 No shareholder or proxy may, directly or indirectly, exercise voting rights attached to own or represented shares that would collectively exceed 15% of the share capital as set forth in the commercial register. Legal entities and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or are otherwise linked, as well as individuals or legal entities or partnerships who act in concert or otherwise act in a coordinated manner, thereby circumventing the aforementioned restriction of voting rights, are deemed to be one shareholder for the purposes of such voting.

3 The restrictions of paragraph 2 of this article 13 shall not apply to the exercise of voting rights by (i) shareholders or their proxies, to the extent that their shares are registered in the share register with voting rights pursuant to article 6 paragraph 7 of these Articles of Association, (ii) Nominees, provided that Nominees’ voting rights shall be subject to the same restrictions as set forth in article 6 paragraph 4 of these Articles of Association, and (iii) the independent voting rights representative to the extent that the latter has been appointed as proxy by shareholders.

4 The Board of Directors shall issue the rules regarding the participation in and representation at the General Meeting and determine the requirements as to proxies.

Droit de vote, représentation

1 Chaque action donne droit à une voix. Les droits de vote sont soumis aux conditions des articles 6 et 7 des Statuts.

2 Aucun actionnaire ou mandataire ne peut exercer, directement ou indirectement, des droits de vote attachés à des actions propres ou représentées qui dépasseraient collectivement 15% du capital-actions tel qu’il figure au registre du commerce. Les personnes morales et les communautés de personnes ou autres groupes de personnes ou de copropriétaires qui sont liés par le capital, les droits de vote, la gestion commune ou de toute autre manière, de même que les personnes physiques ou morales ou communautés de personnes qui agissent de concert ou de manière coordonnée, contournant ainsi les restrictions ou limites susmentionnées, sont traités comme un seul actionnaire aux fins de ce vote.

3 Les restrictions citées à l’alinéa 2 du présent article 13 ne s’appliquent pas à l’exercice du droit de vote par (i) les actionnaires ou leurs mandataires, dans la mesure où leurs actions sont inscrites au registre des actions avec droit de vote conformément à l’article 6 alinéa 7 des Statuts, (ii) les Nominees, à condition que les droits de vote des Nominees soient soumis aux mêmes restrictions que celles énoncées à l’article 6 alinéa 4 des Statuts, et (iii) le représentant indépendant des droits de vote dans la mesure où ce dernier a été désigné comme mandataire par les actionnaires.

4 Le Conseil d’Administration prend les dispositions relatives à la participation et à la représentation à l’Assemblée Générale et détermine les exigences.
and instructions. A shareholder may only be represented at the General Meeting by the independent voting rights representative, its legal representative or, by means of a written proxy, by another shareholder with the right to vote. All shares held by a shareholder may only be represented by one person.

5 The General Meeting shall elect the independent voting rights representative for a term of office until completion of the next ordinary General Meeting. Re-election is possible.

6 If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next General Meeting.

Article 14

1 The General Meeting shall pass its resolutions and decide its elections by the absolute majority of the votes attached to the shares represented, unless required otherwise by law or these Articles of Association. In the event of a tie, the resolution shall be deemed refused.

2 Two thirds of the votes represented and the absolute majority of the par value of shares represented shall be required for the General Meeting to adopt resolutions on the following matters:

1. the amendment of the purpose of the Company;
2. the creation of shares with privileged voting rights;
3. the restriction on the transferability of registered shares or their registration with voting rights and the cancelation of such a restriction;
4. an authorized or conditional increase in share capital;
5. an increase in share capital through the conversion of equity surplus, against contributions in kind or for purposes of an acquisition of assets, or the granting of special benefits;

6. the limitation or withdrawal of pre-emptive rights;

7. the relocation of the registered office of the Company;

8. the dissolution of the Company;

9. mergers, demergers and conversions pursuant to the Swiss federal act on merger, demerger, conversion and transfer of assets and liabilities (the Merger Act);

10. the conversion of registered shares into bearer shares;

11. the removal of any member of the Board of Directors or of its Chair before the end of his/her term of office; and

12. the amendment or repeal of the following provisions of these Articles of Association, with the exception of editorial amendments that do not effectively change their content:
   (i) article 4a paragraph 1, 2, 4(g) and 4(h);
   (ii) article 4c paragraph 1, 3 and 4;
   (iii) article 6;
   (iv) article 13 paragraph 2 and 3;
   (v) article 14;
   (vi) article 15; and
   (vii) article 18.

5. l’augmentation du capital-actions au moyen de la conversion de fonds propres, contre apport en nature ou en vue d’une reprise de biens et l’octroi d’avantages particuliers;

6. la limitation ou la suppression du droit de souscription préférentiel;

7. le transfert du siège de la Société;

8. la dissolution de la Société;

9. une fusion, scission ou transformation conformément à la loi fédérale sur la fusion, la scission, la transformation et le transfert de patrimoine (la Loi sur la Fusion);

10. la conversion d’actions nominatives en actions au porteur;

11. la révocation de tout membre du Conseil d’Administration ou de son/sa Président/e avant la fin de son mandat; et

12. la modification ou la suppression des dispositions suivantes des Statuts, à l’exception des modifications rédactionnelles qui ne modifient pas effectivement leur contenu:
   (i) article 4a alinéa 1, 2, 4(g) et 4(h);
   (ii) article 4c alinéa 1, 3 et 4;
   (iii) article 6;
   (iv) article 13 alinéa 2 et 3;
   (v) article 14;
   (vi) article 15; et
   (vii) article 18.
Articles of Association of SOPHiA GENETICS SA / Statuts de SOPHiA GENETICS SA

3 Resolutions and elections shall be decided by open ballot, unless the acting chair of the General Meeting decides that a secret ballot be held or that it be voted by electronic means. The acting chair of the General Meeting may at any time order that a resolution or election be repeated if he/she considers the vote to be in doubt. The resolution or election previously held shall then be deemed not to have taken place.

B. The Board of Directors

Article 15

The board of directors of the Company (the Board of Directors) shall consist of not less than 3 and not more than 7 members.

Article 16

1 The General Meeting shall elect the members of the Board of Directors and the Chair of the Board of Directors individually and for a term of office until the completion of the next ordinary General Meeting. Re-election is possible.

2 If the office of the Chair of the Board of Directors is vacant, the Board of Directors shall appoint a new Chair from among its members for a term of office extending until completion of the next ordinary General Meeting.

Article 17

1 Except for the election of the Chair of the Board of Directors and the members of the Compensation Committee, all other elections are decided by open ballot. In the event of a tie vote, the acting Chair of the General Meeting may cast the deciding vote.

B. Le Conseil d’Administration

Article 15

Le conseil d’administration de la Société (le Conseil d’Administration) se compose de 3 membres au moins et de 7 membres au plus.

Article 16

1 Les membres du Conseil d’Administration et le/la Président/e du Conseil d’Administration sont élus individuellement par l’Assemblée Générale pour une durée de fonctions s’achevant à la fin de l’Assemblée Générale ordinaire suivante. La réélection est possible.

2 Lorsque la fonction de Président/e du Conseil d’Administration est vacante, le Conseil d’Administration désigne un/une nouveau-elle Président/e parmi ses membres pour une durée de fonctions s’achevant à la fin de l’Assemblée Générale ordinaire suivante.

Article 17

1 A l’exception de l’élection par l’Assemblée Générale du/de la Président/e du Conseil d’Administration et des...
Committee by the General Meeting, the Board of Directors shall constitute itself. The Board of Directors may elect one or several vice-chairs (each, a Vice-Chair). The Board of Directors shall further appoint a secretary who need not be member of the Board of Directors.

2 Subject to these Articles of Association, the Board of Directors shall regulate its organization and the adoption of resolutions in the organizational regulations.

Article 18

1 The members of the Board of Directors shall be entitled to the reimbursement of all expenses incurred in the interest of the Company.

2 To the extent not included in insurance coverage or paid by third parties, the Company shall indemnify and hold harmless, to the extent permitted by law, the existing and former members of the Board of Directors and Executive Committee, and their heirs, executors and administrators, out of the assets of the Company from and against all threatened, pending or completed actions, suits or proceedings – whether civil, criminal, administrative or investigative – and all costs, charges, losses, damages, and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any actual or alleged actions, consents or omissions in or about the execution of their duty, or alleged duty, or by reason of the fact that he is or was a member of the Board of Directors or Executive Committee of the Company or the board of directors (or equivalent corporate body) or the management of one of its subsidiaries, or, while serving as a member of the Board of Directors or Executive Committee of the Company, is or was serving at the request of the Company as a member of the Comité de Rémunération, le Conseil d’Administration se constitue lui-même. Il peut désigner au besoin, un/une ou plusieurs vice-président/e(s) (chacun, un/e Vice-Président/e). Le Conseil d’Administration désigne en outre un/une secrétaire, qui ne doit pas nécessairement être membre du Conseil d’Administration.

2 Le Conseil d’Administration règle en outre son organisation et la manière de prendre des décisions dans un règlement d’organisation, sous réserve des Statuts.

Article 18

1 Les membres du Conseil d’Administration ont droit au remboursement de tous les frais engagés dans l’intérêt de la Société.

2 Dans la mesure où la loi le permet, la Société indemniserà, à concurrence de la portion non couverte par une assurance ou payée par un tiers, sur ses propres biens les membres actuels et passés du Conseil d’Administration et de la Direction Exécutive ainsi que leurs héritiers, masse en faillite ou masse successorale contre toutes actions, procès ou poursuites, menaçants, en cours ou terminés, de nature civile, pénale, administrative ou autre, et tous les coûts, dépenses, pertes, dommages et frais qu’ils (ou leurs héritiers, masse en faillite ou masse successorale) subiraient ou pourraient subir en raison d’actions, consentements ou omissions, effectifs ou présumés, en relation avec l’exercice de leurs fonctions, leurs fonctions supposées ou en raison du fait d’être ou d’avoir été membres du Conseil d’Administration ou de la Direction Exécutive de la Société ou du conseil d’administration (ou d’un organe équivalent) ou de la direction de l’une de ses filiales ou, sur instruction de la Société en tant que membres du Conseil d’Administration ou de la Direction Exécutive, en
director, member of the executive management, 
employee or agent of another corporation, 
partnership, joint venture, trust or other enterprise; 
provided, however, that this indemnity shall not 
extend to any matter in which any of said persons is 
found, in a final judgment or decree of a court or 
governmental or administrative authority of 
competent jurisdiction not subject to appeal, to have 
committed an intentional or grossly negligent breach 
of his statutory duties as a member of the Board of 
Directors or Executive Committee.

3 Without limiting the foregoing paragraph 2 of this 
article 18, the Company shall advance costs and 
expenses indemifiable thereunder to the existing and 
former members of the Board of Directors and 
Executive Committee to the extent not included in 
insurance coverage or advanced by third parties. The 
Company may however recover such advanced costs 
if any of said persons is found, in a final judgment or 
decree of a court or governmental or administrative 
authority of competent jurisdiction not subject to 
appeal, to have committed an intentional or grossly 
negligent breach of his statutory duties as a member 
of the Board of Directors or Executive Committee.

Article 19

1 The Board of Directors shall meet at the invitation 
of its Chair or, if not available, of the Vice-Chair or 
of another member of the Board of Directors as often 
as the business of the Company shall require or if a 
member requests it in writing or via telefax, email or 
another form of electronic communication, 
indicating the reasons.

Convocation, 
décisions, 
procès-verbal

Article 19

1 Le Conseil d’Administration est convoqué par 
son/sa Président/e ou, en cas d’empêchement de 
ce/cette dernier-ère, par son/sa Vice-Président/e ou 
pour un autre membre du Conseil d’Administration, 
au besoin, de telle manière ou à tel endroit que ces 
membres ou cet organisme est en mesure de 
prendre des décisions ou de procéder à des actes 
administratifs.
2 Unless the organizational regulations adopted by the Board of Directors or a board resolution taken with the applicable attendance quorum provide otherwise, the Board of Directors shall only have a quorum if a majority of the members of the Board of Directors is present. No attendance quorum shall be required for resolutions of the Board of Directors providing for the amendment and ascertainment of a capital increase.

3 Except as otherwise provided in the organizational rules, resolutions of the Board of Directors shall be adopted by the majority of the members present, provided that those present form a majority of the Board of Directors. In case of a tie, the Chair shall not have a casting vote.

4 Resolutions may also be adopted by way of written consent or by approval via email or another form of electronic communication, unless a member of the Board of Directors requests discussion thereof.

5 The decisions of the Board of Directors shall be recorded in minutes. The minutes shall be signed by the acting chair and the secretary.

**Article 20**

1 The Board of Directors may pass resolutions with respect to all matters which are not delegated to another corporate body of the Company by law, by these Articles of Association or by regulations.

2 A moins que le contraire ne résulte d’une disposition du règlement d’organisation adopté par le Conseil d’Administration ou d’une décision du Conseil d’Administration prise conformément aux dispositions applicables au quorum de présence, la majorité des membres du Conseil d’Administration doivent être présents afin de pouvoir prendre une décision. Ce quorum de présence n’est pas nécessaire pour les décisions de modification et de constatation du Conseil d’Administration en lien avec les augmentations du capital-actions.

3 Sauf disposition contraire du règlement d’organisation, les décisions du Conseil d’Administration sont prises à la majorité des voix émises par les membres présents, pourvu toutefois que ceux-ci forment la majorité du Conseil d’Administration. En cas de partage égal des voix, celle du/de la Président/e n’est pas prépondérante.

4 Les décisions du Conseil d’Administration peuvent également être prises par voie de circulation ou être adoptées par email ou par un autre moyen de communication électronique, à moins qu’une discussion ne soit requise par l’un des membres du Conseil d’Administration.

5 Les décisions du Conseil d’Administration sont consignées dans un procès-verbal. Le procès-verbal est signé par le/la président/e et par le/la secrétaire.
2 It shall have the following non-transferable and inalienable duties:

1. the ultimate management of the Company and the issuance of necessary instructions;
2. the determination of the organization of the Company;
3. the structuring of the accounting system, of the financial controls and of the financial planning;
4. the appointment and dismissal of the persons entrusted with management and representation of the Company, and issuance of rules on the signature authority;
5. the ultimate supervision of the persons entrusted with management, in particular in view of compliance with the law, these Articles of Association, regulations and directives;
6. the preparation of the annual report and the compensation report;
7. the preparation of the General Meeting and the implementation of its resolutions;
8. the adoption of resolutions on the increase of the share capital to the extent that such power is vested in the Board of Directors, the ascertainment of capital increases, the preparation of the report on the capital increase, and the respective amendments of these Articles of Association (including deletions);
9. the non-transferable and inalienable duties and powers of the Board of Directors pursuant to the Merger Act;
10. the notification of the judge if liabilities exceed assets; and
11. other powers and duties reserved to the Board of Directors by law or these Articles of Association.

3 In all other respects, the Board of Directors may delegate in whole or in part the management and the representation of the Company within the framework set forth by these Articles of Association and the law to one or several of its members or to third parties by means of organizational regulations.

C. The Compensation Committee

Article 21

The compensation committee of the Board of Directors (the Compensation Committee) shall consist of at least 2 members of the Board of Directors.

Article 22

1 The General Meeting shall elect the members of the Compensation Committee individually for a term of office extending until completion of the next ordinary General Meeting. Re-election is possible.

2 If there are vacancies on the Compensation Committee, the Board of Directors may appoint substitute members from among its members for a term of office extending until completion of the next ordinary General Meeting.

C. Le Comité de Rémunération

Article 21

Le comité de rémunération du Conseil d’Administration (le Comité de Rémunération) se compose d’au moins 2 membres du Conseil d’Administration.

Article 22

1 L’Assemblée Générale élit individuellement les membres du Comité de Rémunération pour une durée de fonctions s’achevant à la fin de l’Assemblée Générale ordinaire suivante. Seuls des membres du Conseil d’Administration sont éligibles. La réélection est possible.

2 En cas de vacance au sein du Comité de Rémunération, le Conseil d’Administration peut désigner des substituts parmi ses membres pour une durée de fonctions s’achevant à la fin de l’Assemblée Générale ordinaire suivante.
Article 23

1. The Compensation Committee shall constitute itself. Unless the organizational regulations provide otherwise, the Board of Directors shall elect a chair from among the Compensation Committee’s members.

2. The Board of Directors shall issue regulations establishing the organization and decision-making process of the Compensation Committee, which may be part of the organizational regulations.

Article 24

1. The Compensation Committee shall support the Board of Directors in establishing and reviewing the compensation strategy and guidelines as well as in preparing the proposals to the General Meeting regarding the compensation of the Board of Directors and the Executive Committee. It may submit proposals to the Board of Directors in other compensation-related issues.

2. The Board of Directors shall determine in regulations for which positions of the Board of Directors, the Executive Committee and other member of management (if any) the Compensation Committee shall submit proposals for the performance metrics, target values and/or the compensation of the members of the Board of Directors and the Executive Committee, and for which positions it shall itself determine, in accordance with these Articles of Association and the compensation guidelines established by the Board of Directors, such performance metrics, target values and/or the compensation.
D. The Auditors

Article 25

1 The General Meeting shall elect the auditors of the Company (the Auditors) for a term of office until the completion of the next ordinary General Meeting. Re-election is possible.

2 The Auditors shall have the powers and duties vested in them by law.

3 The Board of Directors may mandate the Auditors at any time to perform special investigations, in particular interim audits, and to prepare a report on their findings.
Section 4  
Compensation of the members of the Board of Directors and the Executive Committee and related matters

Article 26  
1 The General Meeting shall approve the proposals of the Board of Directors in relation to the aggregate amounts of:

1. the maximum compensation of the Board of Directors until the completion of the next ordinary General Meeting;

2. the maximum fixed compensation of the Executive Committee for the following financial year; and

3. the maximum variable compensation of the Executive Committee for the current financial year.

The Board of Directors may submit for approval by the General Meeting deviating, additional or conditional proposals relating to the maximum aggregate amount or maximum partial amounts for the same or different periods and/or specific compensation components and/or in relation to additional amounts for specific compensation components.

In the event that the General Meeting does not approve a proposal of the Board of Directors, the Board of Directors shall determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts, and submit the amount(s) so determined for approval by a General Meeting.

The Company or companies controlled by it may pay or grant compensation prior to approval by the General Meeting, subject to subsequent approval.

Section 4  
Rémunération des membres du Conseil d’Administration et de la Direction Exécutive et affaires connexes

Article 26  
1 L’Assemblée Générale approuve les propositions de la Convention en relation avec les montants maximaux suivants:

1. la rémunération maximale du Conseil d’Administration jusqu’à la fin de l’Assemblée Générale ordinaire suivante;

2. la rémunération fixe maximale de la Direction Exécutive pour l’année comptable suivante; et

3. la rémunération variable maximale de la Direction Exécutive pour l’exercice en cours.

Le Conseil d’Administration peut soumettre à l’approbation de l’Assemblée Générale des propositions divergentes, supplémentaires ou conditionnelles concernant le montant maximal total ou les montants maximaux partiels pour les mêmes périodes ou des périodes différentes et/ou des éléments de rémunération spécifiques et/ou en relation avec des montants additionnels pour des éléments de rémunération spécifiques.

Si l’Assemblée Générale n’approuve pas une proposition du Conseil d’Administration, le Conseil d’Administration détermine, en prenant en compte tous les critères pertinents, le montant (maximal) total ou des montants (maximaux) partiels respectifs, et soumet le(s) montant(s) ainsi déterminé(s) à l’approbation d’une Assemblée Générale.

La rémunération peut être versée ou octroyée par la Société ou les sociétés qu’elle contrôle avant l’approbation de l’Assemblée Générale, sous réserve d’une approbation ultérieure.
**Article 27**

If the maximum aggregate amount of compensation already approved by the General Meeting is not sufficient to also cover the compensation of one or more persons who become members of the Executive Committee or are being promoted within the Executive Committee after the General Meeting has approved the compensation of the Executive Committee for the relevant period, then the Company or companies controlled by it shall be authorized to pay such member(s) a supplementary amount during the compensation period(s) already approved. The supplementary amount per compensation period per member shall not exceed 100% of the aggregate amount of (maximum) compensation of the Executive Committee last approved.

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**Article 28**

1 The compensation of the non-executive members of the Board of Directors may consist of fixed and variable compensation elements. Total compensation shall take into account the position and level of responsibility of the recipient.

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1 La rémunération des membres non-exécutifs du Conseil d’Administration peut être constituée d’éléments de rémunération fixes et variables. La rémunération totale prend en compte la position et le niveau de responsabilité du bénéficiaire.
The compensation of the members of the Executive Committee may consist of fixed and variable compensation elements. Fixed compensation comprises the base salary and may consist of other compensation elements. Variable compensation may take into account the achievement of specific performance targets. Total compensation shall take into account the position and level of responsibility of the recipient.

The performance targets may include individual targets, targets of the Company, group or parts thereof or targets in relation to the market, other companies or comparable benchmarks, taking into account the position and level of responsibility of the recipient. The Board of Directors or, to the extent delegated to it, the Compensation Committee shall determine the relative weight of the performance targets and the respective target values.

Compensation may be paid in the form of cash, shares, options or other share-based instruments or units, or in the form of other types of benefits. The Board of Directors or, to the extent delegated to it, the Compensation Committee shall determine grant, vesting, exercise, restriction and forfeiture conditions and periods. In particular, they may provide for continuation, acceleration or removal of vesting, exercise, restriction and forfeiture conditions and periods, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change of control or termination of an employment or mandate agreement. The Company may procure the required shares or other securities through purchases in the market, from treasury shares or by using conditional or authorized share capital.
Compensation may be paid by the Company or companies controlled by it.

**Article 29**

1. The Company or companies controlled by it may enter into agreements with non-executive members of the Board of Directors relating to their compensation for a fixed term or for an indefinite term. The duration and termination are subject to the term of office and the law.

2. The Company or companies controlled by it may enter into employment agreements with executive members of the Board of Directors and other members of the Executive Committee for a fixed term or for an indefinite term. Fixed term agreements may have a maximum duration of one year; renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months.

3. The Company or companies controlled by it may enter into non-compete agreements with members of the Executive Committee for the time after termination of employment. Their duration shall not exceed two years, and consideration paid per year for such non-compete undertaking shall not exceed the sum of the total annual compensation of such member last paid or payable for the first time.
**Article 30**

1. The number of mandates on the Board of Directors or the Executive Committee of legal entities that have to be registered in a Swiss commercial register or a similar foreign register outside the group is limited:

   (a) for members of the Executive Committee, to 7 mandates, of which no more than 2 in a listed company; and

   (b) for members of the Board of Directors, to 15 mandates, of which no more than 5 in listed companies.

2. Mandates in different legal entities being part of the same group or for the same group are deemed to be one mandate.

3. Mandates in associations, charitable organizations, family trusts and foundations relating to post-retirement benefits are not subject to the above limitations. No member of the Board of Directors or the Executive Committee shall hold more than 10 such mandates.

**Article 31**

The Company or companies controlled by it may grant to members of the Board of Directors and the Executive Committee post-retirement benefits beyond the occupational benefit schemes which do not exceed the annual compensation of the respective member of the Board of Directors or the Executive Committee last paid or payable for the first time.
Section 5
Financial year, profit allocation

Article 32
1 The Company’s financial year shall be determined by the Board of Directors.

2 The Board of Directors shall prepare an annual report for each financial year, comprising the annual financial statements, if required, the management report and the consolidated financial statements, as well as a compensation report.

Article 33
1 The General Meeting shall resolve on the allocation of the profit as shown on the balance sheet in accordance with applicable law. The Board of Directors shall submit its proposals to the General Meeting.

2 In addition to the reserves required by law, the General Meeting may create other reserves.

3 Dividends that have not been collected within five years after their payment date shall inure to the Company and be allocated to the general statutory reserves.

Section 5
Exercice, répartition du bénéfice

Article 32
1 L’exercice est fixé par le Conseil d’Administration.

2 Le Conseil d’Administration établit pour chaque exercice un rapport de gestion, qui se compose des comptes annuels et, cas échéant, du rapport annuel et des comptes de groupe, ainsi qu’un rapport de rémunération.

Article 33

2 En sus des réserves légales, l’Assemblée Générale peut constituer des réserves supplémentaires.

3 Les dividendes qui n’ont pas été perçus dans un délai de cinq ans après leur date de paiement sont prescrits et sont alloués aux réserves statutaires de la Société.
Section 6  
Dissolution, liquidation

Article 34

1 The General Meeting may at any time resolve to dissolve and liquidate the Company in accordance with the law and the provisions set forth in these Articles of Association.

2 The liquidation shall be effected by the Board of Directors, unless the General Meeting appoints other persons as liquidators.

3 The liquidation of the Company shall be effected pursuant to applicable law. The liquidators shall be entitled to sell assets (real estate included) in private transactions.

4 Upon discharge of all liabilities of the Company, the assets shall be distributed to the shareholders in proportion to the share capital, unless these Articles of Association provide otherwise.

Section 7  
Notices, communications

Article 35

1 The official means of publication of the Company shall be the Swiss Official Gazette of Commerce.

2 To the extent that personal notification is not mandated by law, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Written communications by the Company to its shareholders shall be sent by ordinary mail to the last address of the shareholder or authorized recipient entered in the share register. If neither these Articles of Association nor the law mandatorily require a communication to be in written form, the Company can validly send communications to the shareholders to the last email address of the shareholder or authorized recipient.
communicated to the Company, through the banking
system, electronically, by publication in the Swiss
Official Gazette of Commerce or in any other way.
To comply with the written form, a facsimile or
electronic copy of a signature shall be sufficient.

Section 8
Authoritative language

Article 36
In the event of discrepancies between the French and
English versions of these Articles of Association, the
French version shall prevail.

35 / 35
EXCLUSIVE LICENCE OF PATENTS AND RESULTS

BETWEEN THE UNDERSIGNED, SOPHIA GENETICS SA, a company duly incorporated in accordance with the laws of Switzerland, under registration number CH-550.1.086.569-3 in the Commercial Register of the Canton of Vaud, domiciled at Rue du Centre 172, 1025 St-Sulpice, Switzerland, represented by [**], duly authorised for this purpose and hereinafter referred to as the “Company”;

AND

COMUE NORMANDY UNIVERSITY, a national public institution of a scientific, cultural and professional nature, [**], whose statute was approved by decree no. 2014-1673 of 29 December 2014, represented by its President, [**] hereinafter referred to as “Normandy University”, acting in the name and on behalf of its Normandie Valorisation [Normandy Valuation] [**], hereinafter referred to as “Normandie Valorisation”;

AND

INSERM TRANSFERT SA, Public Limited Company with a Management Board and Supervisory Board, [**], with its registered offices at [**], [**], represented by [**], acting as delegate of the National Institute of Health and Medical Research, a public scientific and technological establishment with its registered offices at [**], hereinafter referred to as “INSERM Transfert”;

THE HENRI BECQUEREL CENTRE, ESPIC [Etablissement de Santé Privé d’Intérêt Collectif (Private Healthcare Facility of Collective Interest)] Cancer Centre, with its registered offices at [**], [**], represented by [**] (hereinafter referred to as “CHB”), acting on behalf of [**], hereinafter referred to as “Laboratory 1”;

AND

THE UNIVERSITY OF ROUEN NORMANDY, a national public institution of a scientific, cultural and professional nature, with its registered offices at [**], [**], represented by [**] (hereinafter referred to as “UNIROUEN”), acting on behalf of [**] directed by [**], hereinafter referred to as “Laboratory 2”;

The CH, INSERM Transfert and UNIROUEN are hereinafter referred to as the “Establishments”. The CHB, INSERM Transfert, UNIROUEN, Normandie Université and the Company may each be referred to hereinafter individually as “Partner” and collectively as “Partners”.

[**]
It is, however, specified that this delegation does not imply the transfer to INSERM Transfert of property rights held or jointly held by INSERM.

For the execution of this Agreement, INSERM is not considered to be a third party.

The CHB, INSERM Transfert and UNIROUEN mandate Normandy University via its Normandie Valorisation component to ensure the entire management of this licence Agreement, in accordance with the stipulations of the mandate commitment between Normandy University and the Establishments.

In accordance with this mandate, Normandy University is authorised to sign this Agreement in the name and on behalf of the Establishments.

The Establishments, Normandy University and the Company are hereinafter referred to jointly as the “Parties” and collectively as the “Party”.

WHEREAS,

Within the framework of research carried out within the Laboratory, [**],

The Establishments are the co-owners of [**];

Informal exchanges have already taken place between the Establishments and the Company. The list of elements made available by the Establishments in this context is given in Appendix 1 (an integral part of this Agreement); and

The Company is interested in the aforementioned patent applications and wishes to join forces with the Establishments to validate, through collaboration, the possibilities for developing and exploiting the technology covered by these patent applications;

Consequently, the Establishments grant the Company an exclusive licence on the patents mentioned above under the terms and conditions defined below.

CONSEQUENTLY, IT IS AGREED AS FOLLOWS:

“Affiliates” refers to any legal entity that:

• directly or indirectly controls the Company; or
• comes under the same direct or indirect control as the Company; or
• is controlled directly or indirectly by the Company.

2

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
A legal entity is considered to be controlling another:

• when it directly or indirectly holds more than 50% (fifty percent) of the share capital of that legal entity or holds more than 50% (fifty percent) of the voting rights of the shareholders or partners of that legal entity; or

• when it de facto directly or indirectly holds the decision-making power within this legal entity.

The rights granted to the Affiliates under the terms of this Agreement are only applicable to legal entities that have the status of Affiliate at the moment when these rights are exercised. If a legal entity loses the status of Affiliate during the term of this Agreement, the rights that legal entity acquired due to its status as an Affiliate shall expire immediately, unless agreed in writing by the Establishments. Conversely, a legal entity that acquires Affiliate status shall also acquire the rights relating thereto.

The list of Affiliates is given in Appendix 4, an integral part of this Agreement.

“Agreement” means this Agreement, in its entirety, including its appendices and any amendments.

“Business Partners” refers to entities that have a business relationship with the Company for the purpose of executing or carrying out all or part of the development plan for the Products or allowing them to be used, in accordance with the conditions set out below.

“Confidential Information” refers to any information transmitted by one of the Parties to the other under this Agreement that relates to the Field of Use and is designated as confidential during its transmission by making reference in words to this confidentiality. Any confidential information transmitted orally must be confirmed in writing within [**] of its transmission.

“Date(s) of First Provision” refers to the first time that the Company made the Products available to a third party to the Agreement. The Date of First Provision will be effective on the day when the Company exceeds the most rapidly reached duration provided for in Section 4.05 of this Agreement.

“Development Works” refers to all of the works and studies carried out directly by the Company on its own and/or jointly with the Establishments in accordance with the development plan in Appendix 2 of the Agreement, including all of the works and studies that are necessary for the Company to develop and market the Products directly, or indirectly through its Affiliates.

“Effective Date” refers to the last date on which this Agreement was signed by all the Parties.

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“Field of Use” refers to acute myeloblastic and lymphoblastic leukemia (AML and ALL) and chronic myeloid leukemia (CML).

“Industrial Property Fees” refers to the direct costs invoiced by the industrial property firm(s) and by their foreign equivalents for the operations of filing, issuing and maintaining the Patent. Industrial Property Fees do not include any subsequent costs incurred in legal proceedings initiated by one and/or the other of the Parties to defend the Patent.

“Patents” refers to:

- French patent no. [**] in the names of Establishments, and citing [**] as the inventors thereof.
- the PCT application filed under [**] in the names of the Establishments,
- all rights resulting from these applications, including (i) all patents and patent applications with the aforementioned French patent application claiming priority elsewhere in the world, (ii) the patents resulting from these applications and (iii) all divisional applications, applications for continuation in whole or in part, re-issues, the reviews, extensions and related rights,

A statement of the Patent portfolio on the date of signature of this Agreement is attached in Appendix 2.

The Parties expressly understand that the distribution and management of property rights relating to patent applications nos. [**] and [**] only concerns the Establishments and they cannot therefore, under any circumstance, dispute the conditions of the Patent’s industrial and commercial use from which the Company would benefit.

An update to Appendix 1 will be carried out as the Agreement is completed.

“Products” refers to the products that have been developed, manufactured or marketed and that could not be developed, used, manufactured, marketed or implemented without infringing all or part of the Patent. In the case of returns provided for in Article 5 of this Agreement, the term Product is understood to be for a single patient, and the same applies for the duration provided for in Section 4.05 of this Agreement.

“Result” refers to the results arising from the Patent, as well as the technical and scientific knowledge acquired by Laboratories 1 & 2 while executing the various stages of the Patent and that may or may not be protected by an industrial property title.

“Territory” refers to the countries covered by the Patent.

“Valid Claim” refers to any claim in an application for a Patent or a Patent in force and not expired, which has not been withdrawn, cancelled or found to be invalid or unenforceable, by a court or any other competent jurisdiction, by a final ruling and/or a judgement that cannot be appealed.

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ARTICLE 1
PURPOSE, TYPE AND SCOPE OF THE AGREEMENT

Section 1.01. By means of this Agreement, the Establishments grant to the Company, to its Affiliates and to its Business Partners, which accept, an exclusive license to the Patents, in order to develop, manufacture and sell Products in the Field of Use and in the Territory (hereinafter the “Licence”). The granting of this licence excludes any rights to sub-licence.

The Company shall not exploit the patents resulting from patent applications no. [**] and no. [**] outside the Field and the Territory.

It is understood that the Establishments retain the right to use the Patents and Results internally for research and teaching purposes, excluding any use for commercial purposes in the Field and in the Territory.

Section 1.02. The Licence is only granted for Patents and does not extend to improvements made by one and/or the other of the Establishments to the Patents, nor to countries other than those covered by the Territory. However, the UNIROUEN and the CHB acknowledge that they will make the Patent updates available to the Company in the Field and in the Territory.

ARTICLE 2
DURATION

The Licence comes into effect on the last date of signature by the Partners and, except in the event of early termination pursuant to the provisions of Article 10 below, will remain in force for one (1) year from the last date of signature by the Partners. The licence will remain in force for the same duration as the rights attached to the Patent.

ARTICLE 3
TRANSFER OF THE LICENCE AGREEMENT

Section 3.01. This Agreement is concluded intuitu personae. Consequently, the Agreement is personal, non-assignable and non-transferable.

Section 3.02. In the event of a takeover, merger, absorption, sale or transfer of the Company or its activities, respectively, by, with or to another legal entity, or any other transformation of the Company that may alter the intuitu personae character of this Agreement (hereinafter referred to as the “Event(s)”), Normandy University via Normandie Valorisation, acting for and on behalf of the Establishments, and the new legal entity will sign exactly the same terms as for this Agreement.

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An amendment to this Agreement between the Establishments, Normandy University and said legal entity must be drawn up, simultaneously with any Event that takes place with the Company.

**ARTICLE 4**

**PRODUCT DEVELOPMENT – OPERATION**

Section 4.01. A development plan (hereinafter referred to as the “Development Plan”) expressing the conditions under which the Company intends to carry out the Development Works, the provisional timetable for the execution of said Development Works, as well as the date planned for the first launch of the Products onto the market. The Development Plan is described in Appendix 3 of this Licence.

The Company undertakes to inform Normandy University, via Normandie Valorisation, acting on behalf of the Establishments, of any unforeseen event concerning the said Development Plan which could delay its execution by more than [**]. In such cases, the Company will propose an update of the updated Development Plan corresponding to the development practices for the sector concerned and free from the technical and/or scientific constraints encountered at the origin of the said delay.

The new Development Plan must be agreed by Normandy University via Normandie Valorisation, and said agreement may only be refused by Normandy University via Normandie Valorisation if (1) the delay is caused by the financial or strategic decisions of the Company (such as the internal prioritisation of projects, an absence or delay in raising sufficient funds for the execution of the Development Plan) or (2) if the Development Plan does not comply with the development practices of the sector concerned. The Company must provide proof that it has remedied said delay through said update to the Development Plan so as to favour the development and marketing of the Products.

Section 4.02. The Company undertakes to keep Normandy University via Normandie Valorisation, acting on behalf of the Establishments, informed of the progress of the development of the Products at least [**]. To this end, meetings will be organised at least [**]. These meetings may be held by telephone or by videoconference and the Company will take written minutes of the same. Normandy University via Normandie Valorisation will then send these minutes to the Establishments for information purposes. The report will be used for calculating the invoice that the Company will have to pay.

Section 4.03. The Company undertakes to use this Licence and to apply due diligence to develop, manufacture and sell the Products in the Field of Use and in the Territory. If the Company does not use this Licence within [**] of its Effective Date, this Licence will henceforth become non-exclusive and the Establishments may sign other Licences with third parties in the Field and in the Territory.

6

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Section 4.04. The quality control of the Products and any act relating to the same are under the exclusive responsibility of the Company; the Establishments will in no way be required to lend their assistance.

Section 4.05. The Company is granted the possibility, for a period of [**] from the last date of signature by the Partners or for [**], the first of the two deadlines being taken into account, of making the Products available free of charge.

From the First Marketing Date, the Company undertakes to provide and communicate to Normandy University via Normandie Valorisation, within [**] following the end of the Company’s annual financial year, an annual report justifying the use of Products.

The Establishments may reduce the Territory and/or the Field of Use, by way of an amendment to this Agreement, if the Company has not marketed nor implemented the steps necessary for the marketing of the Products in the Territory and/or in the Field within a reasonable time after the end of the development plan, or if the delay in the execution of the development plan exceeds [**]. These steps are described in Appendix 3 attached to this Agreement, entitled “Development Plan”.

This reduction of the Territory and/or the Field of the Licence will be the subject of an amendment to this Agreement specifying the new definition of the Territory and/or the Field as well as the effective date of the revision.

Notwithstanding this reduction in the scope of the Territory and/or the Field, the other rights and obligations of the Parties provided for in the Licence will continue as of right.

Section 4.06. The Company and/or its Affiliates and/or its Business Partners, without prejudice to what is provided for in the following paragraph, are prohibited from using any of the following names for commercial promotion purposes: [**], or any trademark or distinctive sign belonging to any of the Establishments, or any adaptation of the same, as well as the name of the inventors and any of the Establishments’ agents, without having received, prior to each use, the written consent of the Establishment(s) concerned and, if applicable, the natural person concerned.

However, solely for the purpose of providing information concerning the origin of the Licence, the wording [**] must appear on all Products, advertising materials, and technical or explanatory leaflets relating to the Products, provided that at least one Valid Claim exists for the Patent. It will be up to the Company and/or its Affiliates to ensure that this wording, due to its form and the context in which it is placed, cannot be interpreted as any kind of guarantee given by the Establishments concerning the Products.

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Section 4.07. The Establishments shall not under any circumstances disclose the name of the Company and/or the Affiliates in advertising or any other promotional material intended for the general or medical public and shall not use the name of any employee of the Company and/or Affiliates, nor any product trademark, service mark, trade name or symbol belonging to the Company or Affiliates of the same, without the Company’s prior written consent (an email will suffice).

The Establishments undertake not to use the name of the Company, or the name of its employees or of those in whose name it acts.

Section 4.08. The Company hereby acknowledges that it has the expertise and competences required to use the Patents and Results and to market the Products.

ARTICLE 5
FINANCIAL TERMS

Section 5.01. In return for this Licence, the Company and/or its Affiliates must pay Normandy University via Normandie Valorisation, acting on behalf of the Establishments, the following amounts:

(a) Lump sums

• An initial sum of [**] excluding taxes ([**] excluding tax) on the last date of signature by all the Parties;

(b) Royalties per analysis

In return for the rights to use the Patent and the Results that the Establishments grant to the Company (and/or its Affiliates), the Company will pay Normandy University annually via Normandie Valorisation the following on behalf of the Establishments:

• Under direct use:
  A royalty of [**] for each analysis [**].
  The fees provided for in this article shall be payable for each country as long as there is a Valid Claim for a Patent in the country concerned.

• Under indirect use:
  The same royalty rates will be applied if the Company markets the Products directly or indirectly via its subsidiaries and/or its Business Partners.

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Section 5.02. Royalties on sales concluded in currencies other than the Euro will be calculated based on the annual average of the exchange rate published by the Banque de France.

Section 5.03. In accordance with the Mandate commitment signed by the Establishments, Normandy University via its Normandie Valorisation component will recover [**] of the amount due to the Establishments.

Section 5.04. The minimum sale price of each Product by the Company and/or its Affiliates and/or its Business Partners is set at [**], excluding taxes ([**] before tax).

ARTICLE 6
MONITORING OF FEES

Section 6.01. The Company will keep an accurate register of the number of Products that have been distributed under the Agreement [**].

The elements of the register will be made available to Normandy University via Normandie Valorisation [**] per year, until the expiry date of this Agreement extended by [**].

This register will be closed on [**], and the Company will send Normandy University via Normandie Valorisation, no later than [**] following the year concerned, a detailed statement of sales relating to the Products, broken down by country.

This statement will show the number of analyses per patient, including the Products used during the period, as well as the related amount in accordance with the fees per analysis provided for above.

This statement of commercial transactions will be sent to the following address: [**].

Section 6.02. The sums due by the Company and/or its Affiliates and/or its Business Partners in accordance with Article 5 of this Agreement must be paid within [**] of [**] of issue of an invoice by Normandy University via Normandie Valorisation, acting on behalf of the Establishments, by bank transfer to the following EPSCP Normandy University account:

Bank code: [**]
Counter Code No. [**]
Account No. [**]
IBAN code: [**]
SWIFT BIC: [**]

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Section 6.03. Any sum not paid to Normandy University via Normandie Valorisation within the aforementioned deadlines, due to a late payment, shall give rise to late payment interest calculated at the rate of [**] the legal interest rate in force. In addition, the Company will automatically owe Normandy University via Normandie Valuation a lump-sum compensation for recovery costs of [**] excluding taxes ([**] excluding tax).

Section 6.04. The sums owed by the Company to Normandy University via Normandie Valorisation, acting on behalf of the Establishments, under this Agreement will be paid in euros.

Section 6.05. In the event that no commercial transaction is carried out, the Company must nevertheless send Normandy University via Normandie Valorisation, acting on behalf of the Establishments, a statement certifying the absence of any operation during the year in question to the address indicated in Section 6.01 of this Agreement, indicating the causes of the absence of sales and the difficulties encountered.

Section 6.06. The sums received by Normandy University via Normandie Valorisation, on behalf of the Establishments, by virtue of this Agreement remain in any event definitively and irremediably acquired and may under no circumstances be returned to the Company. In addition, any sums that remain due from the Company to Normandy University via Normandie Valorisation, on behalf of the Establishments, upon the expiry or termination date of this Agreement, must be paid to Normandy University via Normandie Valorisation, on behalf of the Establishments.

Section 6.07. The sums due by the Company to Normandy University via Normandie Valorisation, on behalf of the Establishments, will be increased by the legal taxes in force, in particular by VAT if applicable.

ARTICLE 7
SECRET

Section 7.01. Each of the Parties undertakes to keep the Confidential Information secret for the duration of the Agreement and for a period of [**] after its termination or expiry.

Each Party undertakes not to protect in the Field of Use, in any way whatsoever, all or part of the Confidential Information transmitted by the other Party, in particular by filing a patent application, and not to use them for any purpose other than those set out in Article 1, without the prior written consent of the latter.

The Parties will ensure that their personnel and any person attached to their service in any capacity whatsoever are also be bound by this duty of confidentiality.

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The Parties hereby agree that any disclosure by the Company to a third party of any Confidential Information related to the invention protected by the Patent will be preceded by the signing of a confidentiality agreement with similar terms and conditions to those of this Article.

The confidentiality agreements to which the PARTIES are bound pursuant to this Article shall not apply to information for which the receiving Party can prove:

(a) that it was disclosed to them by mutual agreement between the Parties, or that the disclosure was previously made by the Owning Party;
(b) that it was already in the public domain at the time it was communicated by the other Party or the Co-Owner, or that it entered the public domain after this communication through no fault of the recipient Party;
(c) that they were lawfully received from a third party without breaching the confidentiality obligations contained in this article;
(d) that, on the date of their communication by the owning Party, they were already in its possession;
(e) that their disclosure has been imposed by the application of a mandatory legal or regulatory provision or by the application of a final court decision or an arbitration award.

Section 7.02. This article cannot prevent the Company from sharing documents for the purpose of promoting the marketing of the Products in compliance with the conditions set out in this Agreement.

ARTICLE 8
FILING, EXTENSION, ISSUE AND MAINTENANCE IN FORCE OF THE PATENTS

Section 8.01. Normandy University via its component Normandie Valorisation, on behalf of the Establishments, is responsible for the management of the files, including the follow-up of procedures for the issue and maintenance in force and defence of the Patent, in collaboration with the Establishments.

Section 8.02. Normandy University via its Normandie Valorisation component shall be liable on behalf of Establishments, to pay any costs relating to the procedures for obtaining, examining, extending, maintaining in force and defending the Patent in those countries of the Territory where they have been filed or granted, throughout the duration of the Agreement.

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ARTICLE 9
GUARANTEES

Section 9.01. The Establishments guarantee the material existence of the Patent and that they are entitled to enter into this Licence agreement.

The Establishments do not give any express or implicit guarantee regarding the suitability of the Patent to achieve any result whatsoever.

The Establishments do not guarantee the granting of Patents that are still under examination but shall inform the Company of any adverse development to their being granted.

Section 9.02. The Company may not call upon the Establishments as security in the event of damages of any kind whatsoever caused by the Products, the Company being held solely responsible towards its customers and/or any third party for the quality and performance of Products.

Section 9.03. The Company is solely responsible for ensuring that the Products comply with the applicable laws and regulations.

Section 9.04. Notwithstanding any provision of this Agreement to the contrary, the Establishments shall not grant third parties access to the Patents in the Field of Use without the prior written consent of the Company, and shall preserve their exclusivity, as understood in this Agreement. Similarly, the Establishments undertake to disclose to the Company the existence of any licence relating to Patents conferred by the Establishments on third parties prior to the entry into force of this Agreement. For the sake of clarity, it is understood that the Partners must obtain the written consent of the Company if they wish to exploit, develop or otherwise use the Patent in the Field of Use, with the exception of the case provided for in Section 1.01 of this Agreement.

Section 9.05. The stipulations of Article 9 shall remain in force notwithstanding the early termination or expiry of this Agreement.

ARTICLE 10
TERMINATION – EXPIRY

Section 10.01. In the event that the Company ceases all activity, is dissolved, or is subject to amicable or judicial liquidation proceedings, this Agreement will be automatically terminated. In the event that the Company is the subject of judicial redress proceedings, Normandy University via Normandie Valorisation, acting on behalf of the Establishments, may terminate this Agreement subject to notifying the Company by registered letter with acknowledgement of receipt. If no response is received within [**] of said notification, this Agreement will be automatically terminated.

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Section 10.02. This Agreement may be automatically terminated by one of the Parties in the event of non-fulfilment by the other Party of one or more of the obligations contained in its various clauses, and in particular in Article 5 and/or 6. This termination will only become effective three (3) months after the complainant Party has sent a registered letter with acknowledgement of receipt setting out the reasons for the request, unless, within this period, the defaulting Party has fulfilled its obligations or has provided proof of an impediment resulting from a case of force majeure. The exercise of this right to terminate does not exempt the defaulting Party from fulfilling its contractual obligations until the effective date of the termination, without prejudice to the payment for damages owed by the defaulting Party in compensation for any damage suffered by the complainant Party as a result of the early termination of this Agreement.

Section 10.03. This Agreement will also be automatically terminated if the Patent is invalidated in France.

Section 10.04. If the Company disputes the validity of the Patents or supports Third Parties to contest the patentability or validity of the rights of the Patents, Normandy University via Normandie Valorisation, acting on behalf of the Establishments, may terminate this Agreement immediately.

Section 10.05. If this Agreement is terminated, the Company shall no longer directly or indirectly use the Patents resulting from patent applications no. [**] and no. [**] until their expiry. Nothing in this article could prevent the Company from continuing to use the Patents to the extent that they are integrated into Products or services already existing at the moment of the termination. The terms and conditions of this licence will continue to apply to such products.

Section 10.06. In the event of termination, the Establishments will be free to grant all of the rights they hold relating to the Patent to any Third Party, without any obligation towards the Company.

ARTICLE 11
STOCKS

If the Company and/or its Affiliates have Products in stock on the Agreement termination date, they would be authorized to sell these fully-manufactured Products in the Territory for a period of [**] following the date of termination and/or expiry of the Agreement, subject, on the one hand, to sending a written inventory of stocks to Normandy University via Normandie Valorisation, acting on behalf of the Establishments, on the Agreement termination date and, on the other hand, to respecting the provisions of Article 6 of this Agreement (Financial conditions). After said period of [**], the Company and/or its Affiliates and/or its distributors and/or its Sub-Licensees will no longer be entitled to sell any Product.

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ARTICLE 12
INFRINGEMENT

Section 12.01. Normandy University via Normandie Valorisation, on behalf of the Establishments and the Company, will inform each other of any case of infringement by a third party in relation to the Patent of which they are aware and/or any claim or infringement action against them.

Section 12.02. In the event of an infringement of one or more Patents in the Field of Use by a third party, the Establishments may initiate legal proceedings against the infringing third party at their own expense; it being understood that the compensation and any damages awarded by the court will be fully and irrevocably acquired.

This provision shall not prevent the Company from intervening in the proceeding, at its own expense, to obtain compensation for its own specific damages. SOPHiA GENETICS shall have full and irrevocable entitlement to any compensation and damages awarded to it as a result of such proceedings.

If the Establishments decide not to initiate any infringement actions and if the Company wishes to act, the Company may, after a formal notice sent by registered letter with acknowledgement of receipt to Normandy University via Normandie Valorisation on behalf of the Establishments has remained unanswered by the Establishments for more than [**], start a proceeding for infringement at its sole initiative, in its sole name and at its own expense. In countries where a legal provision prohibits it from initiating a proceeding, the Establishments shall provide, at the Company’s simple request and in a timely manner, all the powers that are necessary for it to act in the name and stead of the Establishments.

Section 12.03. If infringement proceedings are brought against the Company and/or its Affiliates when it comes to using the Products, due to the use of Patents in the Field, Normandy University via Normandie Valorisation, acting on behalf of UNIROUEN and CHB, will make its best efforts to help the Company defend its interests and those of its Affiliates.

[**].
[**].
[**].

Section 12.04. If the Patent is cancelled, the provisions relating to guarantees shall apply and may not be waived.

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Section 12.05. The Parties agree to provide each other with all of the documents and elements they may need during the aforementioned procedures.

ARTICLE 13
ENTIRE AGREEMENT AND LIMITS OF THE AGREEMENT

Section 13.01. This Agreement expresses the entire agreement between the Parties relating to its subject matter and replaces and cancels all previous verbal or written agreements relating to said subject matter. No general or specific condition appearing in the documents sent or submitted by the Parties may be incorporated into this Agreement.

Section 13.02. This Agreement may only be modified or renewed by an addendum signed by the representatives of the Parties, duly authorised for this purpose.

Section 13.03. It is hereby specified that the relations established between the Parties under this Agreement do not confer any rights other than those mentioned in this Agreement. It is understood that this Agreement does not entail, in particular, the granting to the Company of any right on Patents outside the Field and the Territory.

Section 13.04. The Agreement must under no circumstances be interpreted as creating a relationship of association or a de facto partnership between the Parties, each of them being considered as an independent co-contractor.

Section 13.05. Any public declaration or communication relating to the signing of the Agreement or its content can only be made with the agreement of the Parties. However, it is agreed that the Company may register the Agreement with the patent offices as stipulated in Article 18 below.

ARTICLE 14
HEADINGS

In the event of any difficulties of interpretation between any clause heading and any of the clauses, the headings will be deemed non-existent.

ARTICLE 15
INVALIDITY OF A CLAUSE

If one or more of the provisions of this Agreement are deemed to be invalid or declared as such in application of a law or regulation – and in particular, European Union law – or following a final decision by a competent court, the other provisions shall remain valid and enforceable and the Parties shall immediately proceed to make the necessary modifications, respecting, as far as possible, the intent that existed on the date of signing this Agreement.

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ARTICLE 16
WAIVER

The fact that one Party does not pursue a breach of any of the obligations under this Agreement by the other Party cannot be interpreted in the future as a waiver of the obligation concerned.

ARTICLE 17
DISPUTES – APPLICABLE LAW

Section 17.01. This Agreement is governed by French laws and regulations.

Section 17.02. In the event of difficulty regarding the validity, interpretation or performance of this Agreement, the Parties shall endeavour to resolve their dispute amicably.

Section 17.03. In the event of a persistent disagreement, lasting more than [**], from the first notification concerning the dispute, the dispute will be brought before the competent Courts.

Section 17.04. This Article will remain in force notwithstanding all cases of expiry or termination of this Agreement.

ARTICLE 18
REGISTRATION IN THE NATIONAL PATENT REGISTER

Section 18.01. This Agreement may be entered in the National Patent Register, kept by the National Institute of Industrial Property, and in the national patent registers, kept by national Industrial Property offices, for the purposes of registering Patents, at the expense of the Company.

Section 18.02. Any necessary tax registration of this Agreement will be carried out by the Company at its sole expense.

ARTICLE 19
NOTIFICATIONS

Any communication or notification under this Agreement must be made by fax or registered mail with acknowledgement of receipt, to the Party concerned at the following address, as long as a change of address has not been notified in writing:

On behalf of the Establishments:

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
On behalf of the Company:

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
Issued in six (6) original copies.

On behalf of the COMPANY

On 14.03.2018

By: /s/ on behalf of SOPHiA GENETICS SA
Name: [**]
Title: [**]

By: /s/ on behalf of SOPHiA GENETICS SA
Name: [**]
Title: [**]

On behalf of NORMANDY UNIVERSITY

On 19.03.2018

By: /s/ on behalf of Normandy University
Name: [**]
Title: [**]

By: /s/ on behalf of SOPHiA GENETICS SA
Name: [**]
Title: [**]

Approved by NORMANDIE VALORISATION

By: /s/ on behalf of Normandie Valorisation
Name: [**]
Title: [**]

[Signature Page to Exclusive License Agreement]

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APPENDIX 1: STATEMENT OF ITEMS PROVIDED BEFORE THE LICENSE

[**]

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Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
APPENDIX 3: DEVELOPMENT PLAN

Non-binding Product Development Plan*

[**]

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Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
EXCLUSIVE LICENCE OF PATENTS AND RESULTS

BETWEEN THE UNDERSIGNED, SOPHIA GENETICS SA, a company duly incorporated in accordance with the laws of Switzerland, under registration number CH-550.1.086.569-3 in the Commercial Register of the Canton of Vaud, domiciled at Rue du Centre 172, 1025 St-Sulpice, Switzerland, [**], duly authorised for this purpose, hereinafter referred to as the "Company";

AND

COMUE NORMANDY UNIVERSITY, a national public institution of a scientific, cultural and professional nature, [**], whose statute was approved by decree no. 2014-1673 of 29 December 2014, represented by its President, [**], hereinafter referred to as "Normandy University", acting in the name and on behalf of its Normandie Valorisation [Normandy Valuation] [**], [**], hereinafter referred to as "Normandie Valorisation";

INSERM Transfert SA, Public Limited Company with a Management Board and Supervisory Board, [**], with its registered offices at [**], [**], represented by [**], acting as delegate of the National Institute of Health and Medical Research (hereinafter, "INSERM Transfert"), a public scientific and technological establishment, with its registered offices at [**], hereinafter referred to as "INSERM Transfert";

THE HENRI BECQUEREL CENTRE, ESPIC [Etablissement de Santé Privé d’Intérêt Collectif (Private Healthcare Facility of Collective Interest)] Cancer Centre, with its registered offices at [**], [**], [**], hereinafter referred to as "CHB", acting on behalf of [**], hereinafter referred to as "Laboratory 1";

THE UNIVERSITY OF ROUEN NORMANDY, a national public institution of a scientific, cultural and professional nature, with its registered offices at [**], [**], [**], hereinafter referred to as "UNIROUEN", acting on behalf of laboratory [**], directed by [**], hereinafter referred to as "Laboratory 2".

The CH, INSERM Transfert and UNIROUEN are hereinafter referred to as the "Establishments". The CHB, INSERM Transfert, UNIROUEN, Normandy University and the Company may each be referred to hereinafter individually as a "Partner" and collectively as "Partners".

[**].

It is, however, specified that this delegation does not imply the transfer to INSERM Transfert of property rights held or jointly held by INSERM.
For the execution of this Agreement, INSERM is not considered to be a third party.

The CHB, INSERM Transfert and UNIROUEN mandate Normandy University via its Normandie Valorisation component to ensure the entire management of this licence Agreement, in accordance with the stipulations of the mandate commitment between Normandy University and the Establishments.

In accordance with this mandate, Normandy University is authorised to sign this Agreement in the name and on behalf of the Establishments.

The Establishments, Normandy University and the Company are hereinafter referred to jointly as the “Parties” and collectively as the “Party”.

WHEREAS,

Within the framework of research carried out within the Laboratory, [**];

The Establishments are the co-owners of [**];

The list of elements made available by the Establishments in this context is given in Appendix 1 (integral part of this Agreement); and

The Company is interested in the aforementioned patent applications and wishes to join forces with the Establishments to validate, through collaboration, the possibilities for developing and exploiting the technology covered by these patent applications;

Consequently, the Establishments grant the Company an exclusive licence on the patents mentioned above under the terms and conditions defined below.

CONSEQUENTLY, IT IS AGREED AS FOLLOWS:

“Affiliates” refers to any legal entity that:

• directly or indirectly controls the Company; or
• comes under the same direct or indirect control as the Company; or
• is controlled directly or indirectly by the Company.

A legal entity is considered to be controlling another:

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• when it directly or indirectly holds more than 50% (fifty percent) of the share capital of that legal entity or holds more than 50% (fifty percent) of the voting rights of the shareholders or partners of that legal entity; or
• when it de facto directly or indirectly holds the decision-making power within this legal entity.

The rights granted to the Affiliates under the terms of this Agreement are only applicable to legal entities that have the status of Affiliate at the moment when these rights are exercised. If a legal entity loses the status of Affiliate during the term of this Agreement, the rights that legal entity acquired due to its status as an Affiliate shall expire immediately, unless agreed in writing by the Establishments. Conversely, a legal entity that acquires Affiliate status shall also acquire the rights relating thereto.

The list of Affiliates is given in Appendix 3, an integral part of this Agreement.

"Agreement" means this Agreement, in its entirety, including its appendices and any amendments.

"Business Partners" refers to entities that have a business relationship with the Company for the purpose of executing or carrying out all or part of the development plan for the Products or allowing them to be used, in accordance with the conditions set out below.

"Confidential Information" refers to any information transmitted by one of the Parties to the other under this Agreement that relates to the Field of Use and is designated as confidential during its transmission by making reference in words to this confidentiality. Any confidential information transmitted orally must be confirmed in writing within [**] of its transmission.

"Date(s) of First Provision" refers to the first time that the Company made the Products available to a third party to the Agreement. The Date of First Provision will be effective on the day when the Company exceeds the most rapidly reached duration provided for in Section 4.05 of this Agreement.

"Development Works" refers to all of the works and studies carried out directly by the Company in accordance with the development plan in Appendix 2 of the Agreement, including all of the works and studies that are necessary for the Company to develop and market the Products directly or indirectly through its Affiliates.

"Effective Date" refers to the last date on which this Agreement was signed by all the Parties.

"Field of Use" refers to carcinomas with the exception of the area of use defined in the licence agreement signed between the Parties on 19 March 2018.

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"Industrial Property Fees" refers to the direct costs invoiced by the industrial property firm(s) and by their foreign equivalents for the operations of filing, issuing and maintaining the Patent. Industrial Property Fees do not include any subsequent costs incurred in legal proceedings initiated by one and/or the other of the Parties to defend the Patent.

"Patents" refers to:
- French patent no. [**] in the names of Establishments, and citing [**] as the inventors thereof;
- the PCT application filed under [**] in the names of the Establishments; and
- all rights resulting from these applications, including (i) all patents and patent applications, with the aforementioned French patent application claiming priority elsewhere in the world, (ii) the patents resulting from these applications and (iii) all divisional applications, applications for continuation in whole or in part, re-issues, the reviews, extensions and related rights.

A statement of the Patent portfolio on the date of signature of this Agreement is attached in Appendix 1.

The Parties expressly understand that the distribution and management of property rights relating to patent applications nos. [**] and [**] only concerns the Establishments and they cannot therefore, under any circumstance, dispute the conditions of the Patent’s industrial and commercial use from which the Company would benefit.

An update to Appendix 1 will be carried out as the Agreement is completed.

"Products" refers to the products that have been developed, manufactured or marketed and that could not be developed, used, manufactured, marketed or implemented without infringing all or part of the Patent. In the case of returns provided for in Article 5 of this Agreement, the term "Product" is understood to be for a single patient and the same applies for the duration provided for in Section 4.05 of this Agreement.

"Result" refers to the results arising from the Patent, as well as the technical and scientific knowledge acquired by Laboratories 1 & 2 while executing the various stages of the Patent and that may or may not be protected by an industrial property title.

"Territory" refers to the countries covered by the Patent.

"Valid Claim" refers to any claim in an application for a Patent or a Patent in force and not expired, which has not been withdrawn, cancelled or found to be invalid or unenforceable, by a court or any other competent jurisdiction, by a final ruling and/or a judgement that cannot be appealed.

Words in the plural may be understood in the singular, and vice versa.

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ARTICLE 1
PURPOSE, TYPE AND SCOPE OF THE AGREEMENT

Section 1.01. By means of this Agreement, the Establishments grant to the Company, to its Affiliates and to its Business Partners, which accept, an exclusive licence to the Patents, in order to develop, manufacture and sell Products in the Field of Use and in the Territory (hereinafter the “Licence”). The granting of this licence excludes any rights to sub-licence.

The Company shall not exploit the patents resulting from patent applications no. [**] and no. [**] outside the Field of Use and the Territory. It is agreed between the Parties that the licence agreement signed between them on 19/03/2018 does not compete with this Agreement.

It is understood that the Establishments retain the right to use the Patents and Results internally for research and teaching purposes, excluding any use for commercial purposes in the Field of Use and in the Territory.

Section 1.02. The Licence is only granted for Patents and does not extend to improvements made by one and/or the other of the Establishments to the Patents, nor to countries other than those covered by the Territory. However, the UNIROUEN and the CHB acknowledge that they will make the Patent updates available to the Company in the Field of Use and in the Territory.

ARTICLE 2
DURATION

The Licence comes into effect on the last date of signature by the Partners and, except in the event of early termination pursuant to the provisions of Article 10 below, will remain in force for one (1) year from the last date of signature by the Partners and will renew automatically for the duration of the rights attached to the Patent.

ARTICLE 3
TRANSFER OF THE LICENCE AGREEMENT

Section 3.01. This Agreement is concluded intuitu personae. Consequently, the Agreement is personal, non-assignable and non-transferable.

Section 3.02. In the event of a takeover, merger, absorption, sale or transfer of the Company or its activities, respectively, by, with or to another legal entity, or any other transformation of the Company that may alter the intuitu personae character of this Agreement (hereinafter referred to as the “Event(s)”), Normandy University via Normandie Valorisation, acting for and on behalf of the Establishments, and the new legal entity will sign this Agreement.

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The Agreement will only be terminated if Normandy University via Normandie Valorisation, acting for and on behalf of the Establishments, justifies in writing within [**] of receipt of the notification of the modification by the Company that this modification would adversely affect the protection of the scientific and technical heritage of the Establishments and/or would be contrary to public order and good morals. In the absence of any notification from Normandy University via Normandie Valorisation, duly substantiated during this period, this Agreement shall rightfully proceed.

An amendment to this Agreement between the Establishments, Normandy University and said legal entity must be drawn up, simultaneously with any Event that takes place with the Company.

ARTICLE 4
PRODUCT DEVELOPMENT – OPERATION

Section 4.01. A development plan (hereinafter referred to as the “Development Plan”) expressing the conditions under which the Company intends to carry out the Development Works, the provisional timetable for the execution of said Development Works, as well as the date planned for the first launch of the Products onto the market. The Development Plan is described in Appendix 3 of this Licence.

The Company undertakes to inform Normandy University, via Normandie Valorisation, acting on behalf of the Establishments, of any unforeseen event concerning the said Development Plan which could delay its execution by more than [**]. In such cases, the Company will propose an update of the updated Development Plan corresponding to the development practices for the sector concerned and free from the technical and/or scientific constraints encountered at the origin of the said delay.

The new Development Plan must receive the agreement of Normandy University via Normandie Valorisation, said agreement being able to be refused by Normandy University via Normandie Valorisation only if:

(i) the delay results from the financial or strategic decisions of the Company (such as the internal prioritisation of projects, absence or delay in raising sufficient funds for the execution of the Development Plan); or

(ii) or if the Development Plan does not conform to development practices in the sector concerned.

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The Company must provide proof that it has remedied the said delay through said updated Development Plan in order to promote the development and marketing of the Products.

Section 4.02. The Company undertakes to keep Normandy University via Normandie Valorisation, acting on behalf of the Establishments, informed of the progress of the development of the Products at least [**]. To this end, meetings will be organised at least [**]. These meetings may be held by telephone or by videoconference and the Company will take written minutes of the same. Normandy University via Normandie Valorisation, will then send these minutes to the Establishments for information purposes. The report will be used for calculating the invoice that the Company will have to pay.

Section 4.03. The Company undertakes to use this Licence and to apply due diligence to develop, manufacture and sell the Products in the Field of Use and in the Territory. If the Company does not use this Licence within [**] from the Effective Date, this Licence will henceforth be non-exclusive and Establishments may sign other Licences with third parties in the Field and/or in the Territory.

Section 4.04. The Company undertakes to provide and communicate to Normandy University via Normandie Valorisation, within [**] following the end of the Company’s annual financial year, an annual report justifying the use of Products.

The Establishments may reduce the Territory and/or the Field of Use, by way of an amendment to this Agreement, if the Company has not marketed, nor implemented the steps necessary for the marketing of the Products in the Territory and/or in the Field within a reasonable time after the end of the development plan, or if the delay in the execution of the development plan exceeds [**]. These steps are described in Appendix 2 attached to this Agreement, entitled “Development Plan”.

This reduction of the Territory and/or the Domain of the Licence will be the subject of an amendment to this Agreement specifying the new definition of the Territory and/or the Domain as well as the effective date of the revision.

Notwithstanding this reduction in the scope of the Territory and/or the Domain, the other rights and obligations of the Parties provided for in the Licence will continue as of right.

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Section 4.06. The Parties shall not under any circumstances disclose the name of the other Party and/or the Affiliates in advertising or any other promotional material intended for the general or medical public, and shall not use the name of any employee of the other Party and/or Affiliates, nor any product trademark, service mark, trade name or symbol belonging to a Party or Affiliates of the same, without the Company’s prior written consent (an email will suffice).

The Establishments undertake not to use the name of the Company, or the name of its employees or of those in whose name it acts.

Section 4.07. The Company hereby acknowledges that it has the expertise and competences required to use the Patents and Results and to market the Products.

ARTICLE 5
FINANCIAL TERMS

Section 5.01. In return for this Licence, the Company and/or its Affiliates must pay Normandy University via Normandie Valorisation, acting on behalf of the Establishments, the following amounts:

(a) Lump sums
   • An initial sum of [**] excluding taxes ([**] excluding tax) on the last date of signature by all the Parties;

(b) Royalties per analysis
   In return for the rights to use the Patent and the Results that the Establishments grant to the Company (and/or its Affiliates), the Company will pay Normandy University annually via Normandie Valorisation on behalf of the Establishments:
   • Under direct use:
     A royalty of [**] excluding taxes ([**] excluding tax) for each analysis [**].
     The fees provided for in this article shall be payable for each country as long as there is a Valid Claim for a Patent in the country concerned.
   • Under indirect use:
     The same royalty rates will be applied if the Company markets the Products directly or indirectly via its subsidiaries and/or its Business Partners.

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Section 5.02. In accordance with the Mandate commitment signed by the Establishments, Normandy University via its Normandie Valorisation component will recover [**] of the amount due to the Establishments.

ARTICLE 6
MONITORING OF FEES

Section 6.01. The Company will keep an accurate register of the number of Products that have been distributed under the Agreement and [**]. The elements of the register will be made available to Normandy University via Normandie Valorisation [**] per year, until the expiry date of this Agreement extended by [**]. This register will be closed on [**], and the Company will send Normandy University via Normandie Valorisation, no later than [**] following the year concerned, a detailed statement of sales relating to the Products, broken down by country. This statement will show the number of analyses per patient, including the Products used during the period, as well as the related amount in accordance with the fees per analysis provided for above. This statement of commercial transactions will be sent to the following address: [**].

Section 6.02. The sums due by the Company and/or its Affiliates and/or its Business Partners in accordance with Article 5 of this Agreement must be paid within [**] of [**] of issue of an invoice by Normandy University via Normandie Valorisation, acting on behalf of the Establishments, by bank transfer to the following EPSCP Normandy University account:

- Bank code: [**]
- Counter Code No. [**]
- Account No. [**]
- IBAN code: [**]
- SWIFT BIC: [**]

Section 6.03. Any sum not paid to Normandie University via Normandie Valorisation within the aforementioned deadlines, due to a late payment, shall give rise to late payment interest calculated at the rate of [**] the legal interest rate in force. In addition, the Company will automatically owe Normandie University via Normandie Valuation a lump-sum payment for recovery costs of [**] excluding taxes ([**] excluding tax).

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Section 6.04. The sums owed by the Company to Normandy University via Normandie Valorisation, acting on behalf of the Establishments by virtue of this Agreement will be paid in euros.

Section 6.05. In the event that no commercial transaction is carried out, the Company must nevertheless send Normandy University via Normandie Valorisation, acting on behalf of the Establishments, a statement certifying the absence of any operation during the year in question to the address indicated in Section 6.01 of this Agreement, indicating the causes of the absence of sales and the difficulties encountered.

Section 6.06. The sums received by Normandy University via Normandie Valorisation, on behalf of the Establishments, by virtue of this Agreement remain in any event definitively and irremediably acquired, and may under no circumstances be returned to the Company. In addition, any sums that remain due from the Company to Normandy University via Normandie Valorisation, on behalf of the Establishments, upon the expiry or termination date of this Agreement, must be paid to Normandy University via Normandie Valorisation, on behalf of the Establishments.

Section 6.07. The sums due by the Company to Normandy University via Normandie Valorisation, on behalf of the Establishments, will be increased by the legal taxes in force, in particular by VAT if applicable.

ARTICLE 7
SECRET

Section 7.01. Each of the Parties undertakes to keep the Confidential Information secret for the duration of the Agreement and for a period of [**] after its termination or expiry.

Each Party undertakes not to protect in the Field of Use, in any way whatsoever, all or part of the Confidential Information transmitted by the other Party, in particular by filing a patent application, and not to use them for any purpose other than those set out in Article 1, without the prior written consent of the latter.

The Parties will ensure that their personnel and any person attached to their service in any capacity whatsoever are also be bound by this duty of confidentiality.

The Parties hereby agree that any disclosure by the Company to a third party of any Confidential Information related to the invention protected by the Patent will be preceded by the signing of a confidentiality agreement with similar terms and conditions to those of this Article.

The confidentiality agreements to which the Parties are bound pursuant to this Article shall not apply to information for which the receiving Party can prove:

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Section 7.02. This article cannot prevent the Company from sharing documents for the purpose of promoting the marketing of the Products in compliance with the conditions set out in this Agreement.

**ARTICLE 8**

**FILING, EXTENSION, ISSUE AND MAINTENANCE IN FORCE OF THE PATENTS**

Section 8.01. Normandy University via its component Normandie Valorisation, on behalf of the Establishments, is responsible for the management of the files, including the follow-up of procedures for the issue and maintenance in force and defence of the Patent, in collaboration with the Establishments.

Section 8.02. Normandy University via its Normandie Valorisation component shall be liable on behalf of Establishments, to pay any costs relating to the procedures for obtaining, examining, extending, maintaining in force and defending the Patent in those countries of the Territory where they have been filed or granted, throughout the duration of the Agreement.

**ARTICLE 9**

**GUARANTEES**

Section 9.01. The Establishments guarantee the material existence of the Patent and that they are entitled to enter into this Licence agreement.

The Establishments do not give any express or implicit guarantee regarding the suitability of the Patent to achieve any result whatsoever.

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The Establishments do not guarantee the granting of Patents that are still under examination, but shall inform the Company of any adverse development to their being granted.

[**].

[**].

Section 9.02. The Company may not call upon the Establishments as a guarantee in the event of damages of any kind whatsoever caused by the Products, the Company being held solely responsible towards its customers and/or any third party for the quality and performance of Products.

Section 9.03. The Company is solely responsible for ensuring that the Products comply with the applicable laws and regulations.

Section 9.04. Notwithstanding any stipulation of this Agreement to the contrary (except for the provisions of Section 4.03 of this Agreement), the Establishments undertake not to give access to third parties to Patents in the Field of Use without the prior written consent of the Company, and to preserve its exclusivity, as understood in this Agreement. Similarly, the Establishments undertake to disclose to the Company the existence of any licence relating to Patents conferred by the Establishments on third parties prior to the entry into force of this Agreement. For the sake of clarity, it is understood that the Parties must obtain the written consent of the Company if they wish to exploit, develop or otherwise use the Patent in the Field of Use, with the exception of the case provided for in Section 1.01 of this Agreement.

Section 9.05. The stipulations of Article 9 shall remain in force notwithstanding the early termination or expiry of this Agreement.

ARTICLE 10
TERMINATION – EXPIRY

Section 10.01. In the event that the Company ceases all activity, is dissolved, or is subject to amicable or judicial liquidation proceedings, this Agreement will be automatically terminated. In the event that the Company is the subject of judicial redress proceedings, Normandy University via Normandie Valorisation, acting on behalf of the Establishments, may terminate this Agreement subject to notifying the Company by registered letter with acknowledgement of receipt. If no response is given within [**] of said notification, this Agreement will be automatically terminated.

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Section 10.02. This Agreement may be automatically terminated by one of the Parties in the event of non-fulfilment by the other Party of one or more of the obligations contained in its various clauses, and in particular in Article 5 and/or Article 6. This termination will only become effective three (3) months after the complainant Party has sent a registered letter with acknowledgement of receipt setting out the reasons for the request, unless, within this period, the defaulting Party has fulfilled its obligations or has provided proof of an impediment resulting from a case of force majeure. The exercise of this right to terminate does not exempt the defaulting Party from fulfilling its contractual obligations until the effective date of the termination, without prejudice to the payment for damages owed by the defaulting Party in compensation for any damage suffered by the complainant Party as a result of the early termination of this Agreement.

Section 10.03. This Agreement will also be automatically terminated if the Patent is invalidated in France.

Section 10.04. If the Company disputes the validity of the Patents or supports Third Parties to contest the patentability or validity of the rights of the Patents, Normandy University via Normandie Valorisation, acting on behalf of the Establishments, may terminate this Agreement immediately.

Section 10.05. The Parties have the possibility to terminate the Agreement at any time. Notification of the desire to terminate this Agreement must take the form of a registered letter with acknowledgement of receipt. The termination will become effective one (1) year after receipt of the registered letter with acknowledgement of receipt.

Section 10.06. If this Agreement is terminated, the Company shall no longer directly or indirectly use the Patents resulting from patent applications no. [**] and no. [**] until their expiry. Nothing in this article could prevent the Company from continuing to use the Patents to the extent that they are integrated into Products or services already existing at the moment of the termination. The stipulations of this licence will continue to apply to such Products, in accordance with the stipulations provided for in Article 11 of the Agreement.

Section 10.07. In the event of termination, the Establishments will be free to grant to any third party all rights they hold relating to the Patent, without any obligation towards the Company.

ARTICLE 11
STOCKS

If the Company and/or its Affiliates have Products in stock on the Agreement termination date, they would be authorized to sell these fully-manufactured Products in the Territory for a period of [**] following the date of termination and/or expiry of the Agreement, subject, on the one hand, to sending a written inventory of stocks to Normandy University via Normandie Valorisation, acting on behalf of the Establishments, on the Agreement termination date and, on the other hand, to respecting the provisions of Article 5 of this Agreement (Financial conditions). After said period of [**], the Company and/or its Affiliates and/or its distributors and/or its Sub-Licencees will no longer be entitled to sell any Product.

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ARTICLE 12
INFRINGEMENT

Section 12.01. Normandy University via Normandie Valorisation, on behalf of the Establishments and the Company, will inform each other[**] of any case of infringement by a third party in relation to the Patent of which they are aware and/or any claim or infringement action against them.

Section 12.02. In the event of an infringement of one or more Patents in the Field of Use by a third party, the Establishments may initiate legal proceedings against the infringing third party at their own expense, it being understood that the compensation and any damages awarded by the court will be fully and irrevocably acquired.

This provision shall not prevent the Company from intervening in the proceeding, at its own expense, to obtain compensation for its own specific damages. SOPHiA GENETICS shall have full and irrevocable entitlement to any compensation and damages awarded to it as a result of such proceedings.

If the Establishments decide not to initiate any infringement actions and if the Company wishes to act, the Company may, after a formal notice sent by registered letter with acknowledgement of receipt to Normandy University via Normandie Valorisation on behalf of the Establishments has remained unanswered by the Establishments for more than[**], start a proceeding for infringement at its sole initiative, in its sole name and at its own expense. In countries where a legal provision prohibits it from initiating a proceeding, the Establishments shall provide, at the Company’s simple request and in a timely manner, all the powers that are necessary for it to act in the name and stead of the Establishments.

Section 12.03. If an infringement lawsuit were brought against the Company and/or its Affiliates during the use of the Products, due to the use of Patents in the Field, and if following this infringement lawsuit, the Company and/or its Affiliates were condemned, the Company and/or its Affiliates, as the case may be and in accordance with the provisions relating to Guarantees (Article 9), refrain from calling the Establishments as guarantee.

[**].

It is agreed between the Parties that this indemnity clause is intuittu personae. In particular, any claim arising from the indemnity cannot therefore be assigned or transferred to a third party.

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In the event of a takeover, merger, absorption, sale or transfer of the Company or its activities, respectively by, with or to another legal entity, or
any other transformation of the Company aimed at modifying the intuitu personae character of this clause (hereinafter referred to as the “Event(s)”),
this indemnity clause will fall.

In the event that a Transaction occurs between the Company and/or its Affiliates and the third party in infringement proceedings, this clause will
not apply and will be null and void. In the event that compensation has already been paid by Normandy University via Normandie Valorisation, this
compensation will be automatically refundable on first request and will give rise to the application of interest at the legal interest rate.

By “Transaction” it is understood to mean any relationship between the Company and the third party in infringement proceedings, such as
(without limitation) commercial relationship, shareholder relationship, financing, social etc., for a period of [**] from the date of end of this Agreement.

Section 12.04. If the Patent is cancelled, the provisions relating to guarantees shall apply and may not be waived.

Section 12.05. The Parties undertake to provide each other with all the documents and elements they may need during the abovementioned
procedures.

SECTION 13
ENTIRE AGREEMENT AND LIMITS OF THE AGREEMENT

Section 13.01. This Agreement expresses the entire agreement between the Parties relating to its subject matter, and replaces and cancels all
previous verbal or written agreements relating to said subject matter. No general or specific condition appearing in the documents sent or submitted by
the Parties may be incorporated into this Agreement.

Section 13.02. This Agreement may only be modified or renewed by an addendum signed by the representatives of the Parties, duly authorised for
this purpose.

Section 13.03. It is specified that the relations established between the Parties under this Agreement do not confer any rights other than those
mentioned in this Agreement. It is understood that this Agreement does not entail, in particular, the granting to the Company of any right on Patents
outside the Field and the Territory.

Section 13.04. The Agreement must under no circumstances be interpreted as creating a relationship of association or a de facto partnership
between the Parties, each of them being considered as an independent co-contractor.

Section 13.05. Any public declaration or communication relating to the signing of the Agreement or its content can only be made with the
agreement of the Parties. However, it is agreed that the Company may register the Agreement with the patent offices as stipulated in Article 18 below.

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SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually
treats as private or confidential.
ARTICLE 14
TITLE

In the event of any difficulties of interpretation between any clause heading and any of the clauses, the headings will be deemed non-existent.

ARTICLE 15
INVALIDITY OF A CLAUSE

If one or more of the provisions of this Agreement are deemed to be invalid or declared as such in application of a law or regulation—and in particular European Union law—or following a final decision by a competent court, the other provisions shall remain valid and enforceable and the Parties shall immediately proceed to make the necessary modifications, respecting, as far as possible, the intent that existed on the date of signing this Agreement.

ARTICLE 16
WAIVER

The fact that one Party does not pursue a breach of any of the obligations under this Agreement by the other Party cannot be interpreted in the future as a waiver of the obligation concerned.

ARTICLE 17
DISPUTES – APPLICABLE LAW

Section 17.01. This Agreement is governed by French laws and regulations.

Section 17.02. In the event of difficulty regarding the validity, interpretation or performance of this Agreement, the Parties shall endeavour to resolve their dispute amicably.

Section 17.03. In the event of a persistent disagreement, lasting more than [**], from the first notification concerning the dispute, the dispute will be brought before the competent Courts.

Section 17.04. This Article will remain in force notwithstanding all cases of expiry or termination of this Agreement.

16

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ARTICLE 18
REGISTRATION IN THE NATIONAL PATENT REGISTER

Section 18.01. This Agreement may be entered in the National Patent Register, kept by the National Institute of Industrial Property, and in the national patent registers, kept by national Industrial Property offices, for the purposes of registering Patents, at the expense of the Company.

Section 18.02. Any necessary tax registration of this Agreement will be carried out by the Company at its sole expense.

ARTICLE 19
NOTIFICATIONS

Any communication or notification under this Agreement must be made by fax or registered mail with acknowledgement of receipt, to the Party concerned at the following address, as long as a change of address has not been notified in writing:

On behalf of the Establishments:
[**]
[**]
[**]
[**]

On behalf of the Company:
[**]
[**]
[**]

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In six (6) original copies.

On behalf of the COMPANY
[**]
On [HW: 20 May 2019]

On behalf of NORMANDY UNIVERSITY
[**]
On [HW: 27.05.2019]

[Stamp: For the President and by delegation,]
[Signature]

[**]

By: /s/ on behalf of SOPHiA GENETICS SA
Name: [**]
Title: [**]

By: /s/ on behalf of Normandy University
Name: [**]
Title: [**]

By: /s/ on behalf of SOPHiA GENETICS SA
Name: [**]
Title: [**]

NORMANDIE VALORISATION
[**]
On [HW: 29/05/2019]

By: /s/ on behalf of Normandie Valorisation
Name: [**]
Title: [**]

[Signature Page to Exclusive License Agreement]

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APPENDIX 2: DEVELOPMENT PLAN

Non-binding Product Development Plan*

[**]

20

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SOFTWARE SUB-LICENCE AGREEMENT TO SOPHIA GENETICS

BETWEEN THE UNDERSIGNED, SATT AQUITaine, Aquitaine Science Transfert, SAS, SIRET number [**], whose head office is located at [**], hereinafter referred to as “SATT Aquitaine” and SOPHiA GENETICS SA, a company duly incorporated under the laws of Switzerland, bearing the registration number CH-550.1.086.569-3 in the Commercial Register of the Canton of Vaud, domiciled at Rue du Centre 172, 1025 St-Sulpice, Switzerland, represented by [**], duly authorised for this purpose, hereinafter referred to as “SOPHiA GENETICS”.

SATT Aquitaine and SOPHiA GENETICS will hereinafter be collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

[**] and several researchers from the University of Bordeaux, the CNRS (Centre National de la Recherche Scientifique [French National Centre for Scientific Research]), the Polytechnic Institute of Bordeaux and INRIA (Institut national de recherche en informatique et en automatique [National Institute for Research in Digital Science and Technology]) have carried out joint work, within the framework of the joint “MONC” (Modélisation en ONCologie [Oncology Modelling]) project team.

As part of the future investment programme, the SATT Aquitaine project was selected by a decision of the Prime Minister on 19 January 2012. The statutes of SATT Aquitaine were signed on 17 July 2012. The main purpose of SATT Aquitaine (with the designation Aquitaine Science Transfert), is to finance the filing and maintenance of intellectual and industrial property rights and manage licensing portfolios.

In this respect, on 10 April 2015, the SATT Aquitaine Investment Committee studied the co-maturation project entitled “Nénuphar”, reference “PJ_2014-131”, based on the work of the MONC project team and three (3) software applications: “Muppet”, developed by [**], “Méta Lung”, developed by [**], and “Cadmos”, developed by [**].

This co-maturation project led to the development of two other software applications: “NENCORE” and “NOSTRADAMUS” and an updated version of “Cadmos”.

In accordance with [**], SATT Aquitaine has been granted an exclusive licence for the economic rights over the Software Applications.
SOPHiA GENETICS is a Swiss company that specialises in artificial intelligence for data-based medicine and operates the SOPHIA DDM® platform, among other things, and provides integrated diagnostic solutions to healthcare professionals.

As such, SOPHiA GENETICS has expressed its interest in obtaining from SATT Aquitaine, the concession of a non-exclusive sub-licence for the Domain, of the economic exploitation rights to the Software Applications, in particular with a view to creating and exploiting Derivative Software from the source codes of the Software for use on a software platform subject to the terms and conditions set out in that sub-licence.

The Parties therefore agree to hereby formalise the applicable terms and conditions of the aforementioned sub-licence.

THEREFORE, THE Parties AGREE THE FOLLOWING:

As used in this Agreement, the following terms shall have the following meanings, provided they are capitalised, whether used in the plural or in the singular:

“Affiliate” shall mean any legal entity that:

- controls SOPHiA GENETICS, directly or indirectly; or
- comes under the same direct or indirect control as SOPHiA GENETICS; or
- is controlled directly or indirectly by SOPHiA GENETICS.

A legal entity is considered to be controlling another within the meaning of Articles L.233-1 and L233-3 of the French Commercial Code, when it:

- directly or indirectly owns more than half of the capital of another company;
- directly or indirectly owns a fraction of the capital conferring on it the majority of voting rights at this company’s general meetings;
- effectively determines the decisions in this company’s general meetings due to the voting rights that it owns;
- is a partner or shareholder of this company and has the power to appoint or dismiss the majority of the members of the administrative, management or supervisory bodies of this company.

A legal entity is presumed to exercise this control when it holds, directly or indirectly, more than 50% (fifty percent) of the voting rights and no other partner or shareholder directly or indirectly holds a greater percentage.

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The rights granted to Affiliates under the terms of this Agreement are applicable only to legal entities that have the status of Affiliate at the time of exercise of these rights. In the event that a legal entity loses the status of Affiliate during the term of this Agreement, the rights acquired by this legal entity as a result of its status as an Affiliate shall expire immediately, unless agreed in writing by SATT Aquitaine. Conversely, a legal entity that becomes an Affiliate shall also acquire the rights relating thereto.

“Agreement” shall mean the present agreement confirming Maturation Project outcomes, and specifically the non-exclusive sub-licence for the economic rights over the Software Applications.

“Commercial Intermediaries” shall mean all companies or legal entities and/or all professional individuals, acting independently, in their own name (such as the broker) or in the name of SOPHiA GENETICS and/or its Affiliates, and on behalf of SOPHiA GENETICS, serving as a commercial intermediary for SOPHiA GENETICS for the marketing of services based on the Software Applications.

“Co-Owners” shall mean the institutions that co-own the Software Applications. These are the University of Bordeaux, Bordeaux INP (National Polytechnic Institute), CNRS, INRIA and Bordeaux University Hospital.

By “Derivative Software”, we mean all derived or composite works (computer software, software packages and related documentation), that are based upon the Software Applications, including but not limited to translation, adaptation, arrangement or any other modification of the Software Applications and which include all or some of the lines of Software code.

Also, within this Agreement, the term Derivative Software shall include all future versions of the Software Application.

“Domain” shall mean the field of oncology.

“Effective Date” shall mean the latest signature date of this Agreement by all the Parties.

“Representative” shall mean the institution designated by the Co-Owners of the Software, in application of Decree No. 2014-1518, to exercise the rights and obligations set out in Article 2 of the aforementioned text.

“SATT Licence” shall mean an exclusive licence agreement relating to the maturation results and the Software Applications granted by the Co-Owners’ Representative to SATT Aquitaine.

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“Service” shall mean the service provided by SOPHiA GENETICS or SOPHiA GENETICS Affiliates, or commercial intermediaries on behalf of SOPHiA GENETICS, through the use and operation of all or part of the Software.

“Software Applications” or “Software” shall mean the executable code and the source code of the following Software Applications:

- Cadmos version 1.1 dated 11 March 2017, developed by [**] (CNRS employee), filed with the APP (Agence pour la Protection de Programmes [Programme Protection Agency]) on 31 March 2017 under reference number [**];
- NOSTRADAMUS version 0.1 dated 11 March 2017, which was developed between January 2015 and 11 March 2017 by [**] (CNRS employee), [**] (Bordeaux INP employee), [**] (University of Bordeaux employee), [**] (INRIA employee) and [**] (Bordeaux University employee); it was filed on behalf and in the names of the CNRS, the University of Bordeaux, Bordeaux INP and INRIA on 30 March 2017, under reference number [**];
- NENUCORE, developed by [**] (Bordeaux University Hospital and the University of Bordeaux employee), [**] (INRIA employee), [**] (INRIA employee) and [**] (INRIA employee); it was filed on behalf and in the name of the CNRS, the University of Bordeaux, Bordeaux INP and INRIA and the Bordeaux University Hospital, on 30 March 2017, under reference number [**].

The IDDN certificates for the Software Applications are included in [Appendix 1].

“Territory” shall mean the whole world.

**ARTICLE 1**

**PURPOSE, TYPE AND SCOPE OF THE AGREEMENT**

By way of this Agreement, SATT Aquitaine hereby grants SOPHiA GENETICS, who so accepts, a non-exclusive sub-licence for the economic exploitation rights of the Software, in the Domain and in the Territory through the performance of Services, for the benefit of end customers.

The economic exploitation rights granted by SATT Aquitaine to SOPHiA GENETICS also include the right to use Commercial Intermediaries.

The economic rights granted also include the right of SOPHiA GENETICS Affiliates to perform Services.

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
In the event that SOPHiA GENETICS uses Commercial Intermediaries in application of the previous paragraph, SOPHiA GENETICS shall be responsible for ensuring that each of the Commercial Intermediaries respects the operating obligations incumbent upon it, in accordance with this Agreement.

Insofar as this Agreement is a non-exclusive sub-licence, SATT Aquitaine may only grant non-exclusive sub-licences to third parties in the Domain and in the Territory for the duration hereof.

SATT Aquitaine and SOPHiA GENETICS also recognise that the Co-Owners retain the right to use the Software and Derivative Software produced by themselves, individually or in collaboration with third parties, for research purposes in any relevant technical field of application.

ARTICLE 2
ENTRY INTO FORCE AND DURATION OF THE AGREEMENT

This Agreement shall take effect from the Effective Date and SOPHiA GENETICS may use the Software for a period of fifteen (15) years and shall then cease to have effect, except in the event of early termination in accordance with the provisions of Article 12 of this Agreement.

ARTICLE 3
TRANSFER OF THE SUB-LICENCE AGREEMENT

Section 3.01. This Agreement is concluded intuitu personae. Consequently, the Agreement is personal, non-assignable and non-transferable.

Section 3.02. In the event of any change, such as takeover, merger, acquisition, sale or transfer of SOPHiA GENETICS or its activities to another legal entity, thereby modifying the intuitu personae nature hereof (hereinafter referred to as “Reorganizations”), SOPHiA GENETICS shall inform SATT Aquitaine in writing with acknowledgement of receipt.

Section 3.03. In the event that the intuitu personae nature hereof should cease to exist, SATT Aquitaine may terminate this Agreement, on condition that it justifies in writing within [**] from the notification of the Reorganization that the Reorganization of SOPHiA GENETICS would place SATT Aquitaine in a situation of conflict of interest and/or would damage SATT Aquitaine and/or the Co-Owners, the protection of the scientific and technical potential of the Nation and/or would be contrary to public policy or morality.

In the event that SATT Aquitaine does not oppose the Reorganization, it is hereby understood that, in any event, the legal entity shall be subject to the same obligations as those applied to SOPHiA GENETICS under the terms of this Agreement, unless the new Parties agree otherwise.

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ARTICLE 4

TYPE AND SCOPE OF RIGHTS GRANTED

Section 4.01. Type and Scope of Rights Granted on the Software. Subject to the fulfilment of the obligations hereof, and in particular the payment of a fixed fee set out in Article 5 below, SATT Aquitaine hereby grants SOPHiA GENETICS, who so accepts, a non-exclusive sub-licence for the economic rights listed below, to the Software in the Domain and in the Territory, for the duration of this Agreement.

The economic exploitation rights hereby granted by SATT Aquitaine to SOPHiA GENETICS shall be limited to the following.

(a) Right to Reproduction and Adaptation.

The right to reproduction and adaptation includes the following:

(i) the right to reproduce, digitise and adapt all or part of the Software, individually or collectively with other works, in all languages and for any country, in any current or future format, known or unknown, intended for any medium and/or method and/or communication network;

(ii) the right to reproduce or have reproduced, all or part of the Software, individually or collectively, on any magnetic, optical or other medium, by automatic, analogue, digital, electronic or other means, and on any known or unknown medium, current or future, and in particular, but not limited to CD, DVD, etc. This right includes any reproduction and adaptation carried out by any known or unknown, current or future process, and in particular any temporary or permanent storage, transmission, uploading or downloading;

(iii) the right to adapt and develop all or part of the Software, individually or collectively; the right to make new versions of the Software, or new developments from the Software; the right to modify, arrange, assemble, condense, transcribe, mix, or migrate each element of the Software, individually or collectively, for any users, in any language, on any technical platform and through any medium and/or means and/or communication network.

(iv) The rights listed below authorise SOPHiA GENETICS to create Derivative Software.

(b) Right to Use.

The right to use includes the following:

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(i) the right to use all or part of the Software, individually or collectively, and its adaptations, by any means, in particular but not limited to, the sale or hire for private or public use, in any format, by any process, on any medium, and on any technical platform, known or unknown, current or future, temporarily or permanently, to any users and through any medium and/or means and/or communication network;

(ii) the right to issue or have issued throughout the world all or part of the reproductions of all or part of the Software, individually or collectively, and of its adaptations for sale, hire or loan for public or private use, and in general, by any means of communication to users via any medium and/or means and/or communication network.

(iii) The right to use shall be manifested, in particular, by the sale of Services via a platform for end customers.

(iv) Notwithstanding the duration of the Agreement, SOPHiA GENETICS may freely use the Derivative Software that it has produced, at its own risk, for the duration of the copyright protection.

(c) Right to Representation and Communication.

The right to representation and communication includes the following:

(i) the right to represent and have represented all or part of the Software, individually or collectively, and its adaptations in all languages and in all countries, on any platform and according to any technical standard, current or future, known or unknown;

(ii) the right to communicate to users all or part of the Software, individually or collectively, or its adaptations by any process, paid or unpaid, direct or indirect, known or unknown, current or future, by wire or wireless and on any data distribution network, known or unknown, current or future. This right includes, in particular, sharing on any communication network, via Hertzian waves, cable, satellite, television broadcasting and, in general, by any means, on any network and according to any telecommunication protocol, current or future, known or unknown, including but not limited to GSM, DCS 1800 or 1900, UMTS, Wi-Fi, Wi-Max, Bluetooth, Wap, etc.;

(iii) the right to distribute all or part of the Software, individually or collectively, on internal or private networks, in particular companies’ networks, by any person governed by public or private law, free of charge or for payment.
(iv) However, moral rights are out of the scope of the sub-licence. The Developers shall retain their moral rights and consequently their ownership must be mentioned.

Section 4.02. Access to Codes and Technical Assistance. It is understood between the Parties that SATT Aquitaine and the Co-Owners shall not provide any assistance of any kind, particularly technical, with regard to the Software within the scope of this Agreement.

The Software shall be delivered by post via FedEx to the SOPHiA GENETICS address within a maximum period of [**] from the signing of this Agreement.

A statement signed by the SOPHiA GENETICS contact as indicated in Article 19 shall be drawn up upon delivery of the Software and shall be sent to Aquitaine Science Transfert (AST).

This Agreement gives SOPHiA GENETICS the right to access the Software filed with the APP.

ARTICLE 5
FINANCIAL TERMS

In return for the economic exploitation rights of the Software in the Domain and in the Territory, and in particular of the right to create and use Derived Software, SOPHiA GENETICS shall pay SATT Aquitaine the one-off fee of [**] as of the date of receipt of the FedEx notification by SOPHiA GENETICS of the Software.

SATT Aquitaine shall issue its invoice in euros in accordance with the applicable legal provisions.

The sums due to SATT Aquitaine shall be paid in euros.

The sums due by SATT Aquitaine must be paid within [**] of the date of issue of an invoice by SATT Aquitaine, by bank transfer to the order of SAS SATT Aquitaine, [**].

Any amounts not paid by SOPHiA GENETICS within the aforementioned deadlines shall result in the application of late interest payments calculated pro rata temporis at [**] the statutory interest rate in force, without prejudice to SATT Aquitaine’s right to terminate this Agreement in application of Article 12.

The amounts payable by SOPHiA GENETICS to SATT Aquitaine shall be increased by the statutory taxes in force on the date of their due date, in particular VAT if applicable.

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Notwithstanding the termination of the Agreement, the amounts received by SATT Aquitaine under the terms of this Agreement shall remain in any event definitively and irretrievably acquired by SATT Aquitaine and may not under any circumstances be returned to SOPHiA GENETICS.

In addition, the outstanding amounts payable by SOPHiA GENETICS on the date of expiry or termination of this Agreement must be paid to SATT Aquitaine.

ARTICLE 6
USE OF DISTINCTIVE MARKS

Without prejudice to the provisions of the following paragraph, SOPHiA GENETICS shall not, for any purpose whatsoever, including in the context of non-commercial operations, use the names “National Centre for Scientific Research” or “CNRS”, “University of Bordeaux” or “UBx”, “National Institute for Research in Digital Science and Technology” or “INRIA”, “University Hospital Centre” or “CHU” or any brand, name, company name, image, logo, figurative sign or distinctive mark belonging to any of the Co-Owners or any adaptation thereof, including the name of the developers and any of the Co-Owners’ agents, for any public communication, without prior written consent for each use, from a legal representative who is duly authorised to engage the Co-Owner and/or, where applicable, the individual concerned, in this capacity.

In order to obtain this agreement, SOPHiA GENETICS shall specifically notify the Co-Owner or individual person concerned of the transaction affected as well as the form of this representation, its duration and the context in which SOPHiA GENETICS wishes to use the distinctive mark, sign, company name, brand, image, logo or figurative sign of one or more institutions and/or the individual’s name.

In any case, and even if one or more Co-Owner(S) and/or SATT Aquitaine have given their authorisation for the use proposed by SOPHiA GENETICS, the distinctive marks, signs, company names, brands, images, logos and figurative signs belonging to one or more Co-Owners or to SATT Aquitaine may not be used by SOPHiA GENETICS in a way which, by virtue of the form and/or the context, can be interpreted as a guarantee granted by the Co-Owners and/or SATT Aquitaine with regards to the Software or any of SOPHiA GENETICS’ products or services whatsoever.

SOPHiA GENETICS shall ensure that its Commercial Intermediaries and Affiliates are bound by the same obligations.

For the sole purpose of providing information on the origin of this sub-licence, the words “Licence relating to intangible assets financed by SATT Aquitaine and INRIA” may appear on any advertising document, technical or explanatory note relating to the Services. SOPHiA GENETICS shall be responsible for ensuring that this statement, by its form and by the context in which it is placed, cannot be interpreted as any guarantee by SATT Aquitaine concerning the Software and/or Services.

9

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ARTICLE 7
CONFIDENTIALITY

Section 7.01. Each Party shall preserve the confidentiality of the scientific and technical information belonging to each of the Parties and any information of any nature whatsoever relating to each of the Parties or Co-Owners of which it may become aware during pre-contractual negotiations or during the execution of this Agreement.

Each of the Parties may only publish or communicate all or part of the aforementioned confidential information to third parties with the written consent of the other Party. Each of the Parties shall inform the other Party or the Co-Owners in advance, by registered letter with acknowledgement of receipt, of the form and content of the communication or publication. The other Party or the Co-Owners concerned will then have [**] following receipt of the notification to refuse the communication or publication, in the event that it would cause damage to the interests of one of the other Parties and/or to the protection of scientific and technical potential. In the event that the other Party fails to respond within the aforementioned period, the publication or communication is deemed to be accepted.

In particular, the Parties shall maintain and ensure the maintenance of the confidentiality of all the knowledge shared with them via the Software, which belongs to the Co-Owners.

Section 7.02. The Parties shall ensure that their staff and any person attached to their service in any capacity whatsoever shall also be bound by this duty of confidentiality.

Section 7.03. The duties of confidentiality to which the Parties are bound in accordance with this Article 7 shall not apply to information for which the Parties can prove that:

(a) they disclosed it after obtaining the prior written authorisation of the other Party or the Co-Owners;
(b) it belonged in the public domain at the time of its communication by the other Party or the Co-Owner, or that it entered the public domain after this communication through no fault of the other Party;
(c) it has been lawfully received from a third party;

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they were obliged to disclose the information by application of a mandatory legal or regulatory provision or by the application of a final court
decision or an arbitration award.

The above exceptions are not cumulative.

Section 7.04. The Parties shall not file a patent application or other Industrial Property titles including the other Party’s scientific and technical
information, of which it may become aware during pre-contractual negotiations or during the execution of this Agreement, and in particular scientific
and technical information about the Software, without having obtained the prior written authorisation of the other Party or the Co-Owners.

Section 7.05. This duty of confidentiality shall remain in force for the duration of this Agreement and for [**] after its expiry or its termination
and with regard to expertise until the information enters the public domain.

ARTICLE 8
OWNERSHIP OF SOFTWARE AND DERIVATIVE SOFTWARE

The Software is the exclusive property of the Co-Owners.

The licensing does not involve the transfer of any property rights to SOPHiA GENETICS.

SOPHiA GENETICS shall take all necessary measures to protect the property rights of the Software and to respect the moral rights of the
developers.

The Parties shall inform each other of any infringement of rights to the Software of which they are aware.

Derivative Software produced by SOPHiA GENETICS shall be the property of SOPHiA GENETICS in accordance with Article L.113-4 of the
French Intellectual Property Code. Therefore, they shall be free to use it without any other fee than that which has already been paid under Article 5 of
this Agreement.

Derivative Software produced exclusively by one or more Co-Owners shall be the exclusive property of the Co-Owners concerned in accordance
with article L.113-4 of the French Intellectual Property Code.

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treats as private or confidential.
**ARTICLE 9**  
**USE**

SOPHiA GENETICS shall use the Software effectively, directly and/or indirectly, in the Territory through the provision of Services in the Domain. In addition, SOPHiA GENETICS shall make all reasonable effort that, in its sole discretion, it deems necessary for the operation of the Services based on the Software.

**ARTICLE 10**  
**GUARANTEES**

Section 10.01. The Software Applications are research prototypes. It is therefore the responsibility of SOPHiA GENETICS to ensure that its technical characteristics and functionalities correspond to its needs.

Section 10.02. As a result, SATT Aquitaine grants the Software "as is" and does not guarantee SOPHiA GENETICS against any faults and operating anomalies thereof. SOPHiA GENETICS agrees to use the Software at its own risk.

Section 10.03. SOPHiA GENETICS agrees that neither SATT Aquitaine nor the Co-Owners shall be bound by any guarantee from SOPHiA GENETICS with a view to ensuring the proper functioning or updating or operation of the Software.

Section 10.04. SOPHiA GENETICS is solely responsible for the development of the Software in order to adapt it to its mode of operation and to ensure that the Services are in compliance with applicable laws and regulations.

Section 10.05. SATT Aquitaine declares that on the date of the Agreement coming into force it is not aware of any third-party rights that may affect the operation of the Software.

**ARTICLE 11**  
**INFRINGEMENT**

Section 11.01. SATT Aquitaine and SOPHiA GENETICS shall keep each other fully and rapidly informed of any infringement of which they may be aware by a third party in relation to the Software. SOPHiA GENETICS must promptly inform SATT Aquitaine of any complaints and infringement actions that may be initiated against SOPHiA GENETICS on the basis of the Software.

Section 11.02. In the event that infringement proceedings are brought against SOPHiA GENETICS and/or its Commercial Intermediaries and/or Affiliates during the operation of the Software, SATT Aquitaine shall provide SOPHiA GENETICS with the information at its disposal with a view to the defence of SOPHiA GENETICS or its Commercial Intermediaries and/or Affiliates.

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In the event that SOPHiA GENETICS were to be convicted as a result of such infringement proceedings, SOPHiA GENETICS shall exonerate SATT Aquitaine and the Co-Owners. SOPHiA GENETICS shall refrain from impleading SATT Aquitaine and/or the Co-Owners and may not claim therefrom any compensation, nor reimbursement of any amounts already paid to SATT Aquitaine nor any reduction of amounts outstanding at the time of the ruling of the final court decision.

SOPHiA GENETICS shall ensure that its Commercial Intermediaries and Affiliates shall be bound by the same terms as those defined herein.

Section 11.03. In the event of an infringement of all or part of the Software by a third party, SATT Aquitaine may initiate legal proceedings against the infringing third party at its own expense, it being understood that they shall have full and irrevocable entitlement to any compensation and damages awarded by the court.

This stipulation shall not prevent SOPHiA GENETICS from intervening in the proceeding, at its own expense, to obtain compensation for its own specific damages. SOPHiA GENETICS shall have full and irrevocable entitlement to any compensation and damages awarded thereto as a result of such proceedings.

Section 11.04. Notwithstanding the termination or expiry of this Agreement, the provisions of this Article 11 shall remain in force.

ARTICLE 12
TERMINATION – EXPIRY

Section 12.01. This Agreement will be terminated automatically in the event of cessation of activity, dissolution or voluntary liquidation of SOPHiA GENETICS.

In the event that SOPHiA GENETICS is the subject of judicial reorganisation or liquidation proceedings, this Agreement shall be automatically terminated after formal notice has been sent to the administrator and remained unanswered for more than [**], subject to the provisions of Articles L. 622-13 and L.641-10 of the French Commercial Code.

Section 12.02. This Agreement may be automatically terminated by either of the Parties in the event of non-performance by the other Party of one or more of the obligations contained in its various clauses, and in particular Article 1 (purpose, type and scope of the agreement), to Article 4 (Type and scope of the rights granted) and to Article 5 (Financial Terms). This termination shall only take effect [**] has sent a registered letter with acknowledgement of receipt setting out the grounds for the complaint, unless,

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within this period, the defaulting Party has fulfilled its obligations or has provided proof of an impediment resulting from a case of force majeure. The exercise of this right of termination does not exempt the defaulting Party from fulfilling its contractual obligations until the effective date of the termination, without prejudice to the payment of damages owed by the defaulting Party in compensation for any damage suffered by the complainant Party as a result of the early termination of this Agreement.

In the event of termination for fault, negligence or non-compliance with a provision of this Agreement on the part of SATT Aquitaine, the right to use Derived Software by SOPHiA GENETICS and, in particular, the right to market the Services incorporating the Derivative Software shall not be restricted in any way.

Section 12.03. In the event of termination of this Agreement:
(a) SOPHiA GENETICS shall not disclose and no longer use or allow all or part of the Software to be used directly or indirectly until the elements of the Software have clearly entered into the public domain.
(b) SOPHiA GENETICS shall return to SATT Aquitaine, [**] following the expiry or termination of this Agreement, all documents and the various materials relating to the Software that SATT Aquitaine and/or the Co-Owners have forwarded without being able to retain a copy.
(c) SOPHiA GENETICS shall ensure that its Affiliates are bound by the above obligations.

Section 12.04. In the event of termination of this Agreement, any agreements concluded with Commercial Intermediaries shall be terminated automatically on the termination date of this Agreement.

ARTICLE 13
ENTIRE AGREEMENT AND LIMITS OF THE AGREEMENT

Section 13.01. This Agreement together with its appendix defines all the obligations of the Parties with regard to its subject matter. No general or specific condition contained within documents sent or given by the Parties may be incorporated into this Agreement.

Section 13.02. This Agreement may only be modified or renewed by an amendment signed by the representatives of the Parties, duly authorised for this purpose.

Section 13.03. It is specified that the relations established between the Parties under this Agreement do not confer any rights other than those mentioned in this Agreement.

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ARTICLE 14
TITLES

In the event of any difficulties of interpretation between any clause title and any of the clauses, the titles will be deemed non-existent.

ARTICLE 15
UNENFORCEABLE PROVISIONS

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction—and in particular, European Union law—or following a final decision of a competent court, shall be so only to the extent of such prohibition or unenforceability, but all the remaining provisions shall remain valid and enforceable and the Parties shall proceed without delay to the necessary modifications respecting, as far as possible, the intent that existed at the signature date of this Agreement.

ARTICLE 16
WAIVER

The fact that one Party does not pursue a breach by the other Party of any of the obligations referred to in this Agreement cannot be interpreted in the future as a waiver of the obligation in question.

ARTICLE 17
DISPUTES – APPLICABLE LAW

Section 17.01. This Agreement is governed by French laws and regulations.

Section 17.02. In the event of difficulty regarding the validity, interpretation or performance of this Agreement, the Parties shall endeavour to resolve their dispute amicably.

Section 17.03. In the event of a persistent disagreement, lasting more than [**], from the first notification concerning the dispute, the dispute shall be brought before the competent French courts.

Section 17.04. This Article shall remain in force notwithstanding all cases of expiry or termination of this Agreement.

ARTICLE 18
LANGUAGES

This Agreement has been drawn up solely in the French language.

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Any notification required under this Agreement shall be sent by registered post with acknowledgement of receipt, to the relevant Party at the following address:

For SOPHiA GENETICS:

For the Attention of [**]; Rue du Centre 172, CH-1025, St-Sulpice, Switzerland—copy to [**]

For SATT Aquitaine:

For the Attention of [**]

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Made in two (2) original copies: one (1) for SATT Aquitaine and one (1) for SOPHiA GENETICS.

Signed in TALENCE, On 30.11.2017
SATT AQUITAINE
By: /s/ on behalf of SATT Aquitaine
Name: [**]
Title: [**]

[Seal: AQUITAINE SCIENCE TRANSFERT
Innovation accelerator
(AT 2017—148 VISA)]

[SOPHiA GENETICS SA]
Signed in ST SULPICE (Switzerland), On 30.11.2017
SOPHiA GENETICS SA
By: /s/ on behalf of SOPHiA GENETICS SA
Name: [**]
Title: [**]

Signature Page to Software Sub-License Agreement

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AGREEMENT FOR THE CO-MARKETING OF PRODUCTS AND SERVICES

BETWEEN: AGILENT TECHNOLOGIES, INC., a company organized under the laws of Delaware, with registered offices at [**] (hereinafter referred to as “Agilent”)

AND: SOPHIA GENETICS S.A., a company organized under the laws of Switzerland, with registered offices at Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland,

(herinafter referred to as “SOPHiA”)

Agilent and SOPHiA may hereinafter jointly also be referred to as the “Parties” and each individually as a “Party”

WHEREAS SOPHiA seeks to develop algorithms to analyse data associated with Agilent gene panels and sell access to its platform to interpret this data;

WHEREAS Agilent commercializes certain products, such as, without limitation, next-generation sequencing reagent kits, gene panels and equipment related to the sequencing of biological samples, which it produces, manufactures and sells;

WHEREAS the SOPHiA Products (as defined hereinafter) and the Agilent Products (as also defined hereinafter) are desired to be adapted and made complementary of one another;

WHEREAS SOPHiA and Agilent desire to provide for marketing and sale of their products to current and prospective customers (with each party selling its own products to customers), under the terms and conditions of this present co-marketing agreement (the “Agreement”);

WHEREAS the Parties anticipate that such coordinated activities will include not only marketing and sales activities, but also related support services, and potentially the development of certain intellectual property;

NOW, THEREFORE, the Parties agree and covenant as follows:

1. DEFINITIONS

1.1. The following terms shall have the following meaning:

“Affiliates” means any entity controlled by, controlling, or under control with, SOPHiA or Agilent, as the case may be, and “Control” and its derivates shall mean control by majority ownership of, or the ability to direct the disposition or exercise of voting rights of, the voting and capital stock or ownership interest of the entity in question.

“Agilent Complementary Offering Product” means the Agilent Product identified in Schedule 2.

“Agilent Product Data” means the data and information to be transferred from Agilent to SOPHiA hereunder as further described in Schedule 4.
“Agilent Products” means those products that are manufactured, produced and sold by Agilent as identified in Schedule 2.

“Agilent Trademarks” means the registered trademarks and trade names of Agilent, and any registration or applications in the Territory in regard thereto and any trademarks Agilent or its Affiliates subsequently add thereto by mutual agreement of the Parties.

“Agilent Confidential Information” means all confidential information of Agilent or its Affiliates or their respective customers, which are either marked confidential or which SOPHiA should reasonably expect are confidential or proprietary, including, without limitation, technical data, designs, specifications, methods, processes, systems, test reports, protocols, sources of supply and/or marketing data.

“Background Intellectual Property” means any intellectual property and associated legal rights therein of either or both Parties developed before or independent of this Agreement, including inventions, patent applications, patents, copyrights, know-how, trademarks, trade secrets and proprietary information, including but not limited to, technical data and source code.

“Complementary Offering Product” means as applicable the SOPHiA Complementary Offering Product or Agilent Complementary Offering Product.

“Complementary Offering” means the assemblage of SOPHiA Products and Agilent Products co-marketed by the Parties as part of this Agreement. It is understood that, the purchaser shall purchase the SOPHiA Products directly from SOPHiA and the Agilent Products directly from Agilent.

“Confidential Information” means collectively Agilent Confidential Information and SOPHiA Confidential Information.

“GDPR” means General Data Protection Regulation 2016/679.

“Jointly Developed Intellectual Property” means intellectual property arising from performance pursuant to this Agreement that each Party contributed substantially to the development of, concerning components, methods, processes or algorithms related to either SOPHiA Products or Agilent Products.

“Patents” means patents, patent applications (including provisional patent applications) and any issued or pending divisionals, continuations, continuations-in-part, re-issues, re-examinations, renewals or extensions thereof and any foreign counterpart of any of such patents.

“Personal Data” means any information relating to an identified or identifiable natural person (‘data subject’); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

“Processing” (and its conjugates, including without limitation “Process”) shall mean any operation or set of operations that is performed upon Personal Data, including without limitation collection, recording, retention, alteration, use, disclosure, access, transfer, or destruction.

“Solely Developed Intellectual Property” means intellectual property arising from performance pursuant to this Agreement and developed solely by one Party without any substantial contribution of the other Party.

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“SOPHiA Complementary Offering Product” means the SOPHiA Product identified in Schedule 1.

“SOPHiA Product Data” means the data and information about SOPHiA Products to be transferred to Agilent hereunder as described in Schedule 5.

“SOPHiA Products” means the Products that are manufactured, developed, produced and sold by SOPHiA as identified in Schedule 1.

“SOPHiA Trademarks” means the registered trademarks and trade names of SOPHiA, and any registration or applications in the Territory in regard thereto and any trademarks SOPHiA or its Affiliates subsequently add thereto by mutual agreement of the Parties.

“SOPHiA Confidential Information” means all confidential information of SOPHiA or its Affiliates or their respective customers, which are either marked confidential or which Agilent should reasonably expect are confidential or proprietary, including, without limitation, technical data, designs, specifications, methods, processes, systems, test reports, protocols, sources of supply, and/or marketing data.

“Term” and “Initial Term” means the term and initial term indicated in Section 12, below.

“Territory” means the countries and locations indicated in Schedule 3, hereto.

“Trademark” means as applicable the SOPHiA Trademark or Agilent Trademark.

2. DEVELOPMENT ACTIVITIES

2.1. Transfer of Agilent Data. Reasonably promptly after execution of this Agreement, Agilent shall transfer the Agilent Product Data to SOPHiA. Agilent Product Data shall be deemed Agilent Confidential Information whether or not marked as such. SOPHiA shall use Agilent Product Data solely for purposes of developing the SOPHiA Complementary Offering Product and shall not use Agilent Product Data for any other purpose.

3. INTELLECTUAL PROPERTY

3.1 All right, title and interest in and to Solely Developed Intellectual Property shall be owned by the Party that developed such Intellectual Property.

3.2 All right, title and interest in and to Jointly Developed Intellectual Property shall be jointly owned by the Parties. SOPHiA shall have the right to use Jointly Developed Intellectual Property in connection with the development and commercialization of algorithms and software for analysis of gene panels and shall not use the Jointly Developed Intellectual Property for any other purpose. Agilent shall have the right to use Jointly Developed Intellectual Property in connection with the development, analysis, and commercialization of gene panels and shall not use the Jointly Developed Intellectual Property for any other purpose. Neither Party shall independently file any patent, trademark, or copyright applications concerning Jointly Developed Intellectual Property without the knowledge and cooperation of the other Party. In the event that either Party desires to obtain intellectual property protection concerning Joint Intellectual Property, such Party will notify the other party in writing and such Joint Intellectual Property shall be subject to a separate agreement between the Parties regarding protection costs, use and the rights related thereto. For the purpose of clarity, any algorithm developed by SOPHiA as part of this Agreement without a substantial contribution of Agilent shall not be construed as Jointly Developed Intellectual Property, but shall constitute SOPHiA's Solely Developed Intellectual Property.

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3.3 Promotional, marketing or product-related materials and documentation co-developed by the Parties under the scope of this Agreement shall be Jointly Developed Intellectual Property. During the Term of this Agreement, each of SOPHiA and Agilent (and their respective Affiliates) may use such promotional, marketing or product-related materials and documentation solely for the purposes and commercial activities set forth in this Agreement.

3.4 This Agreement does not grant and shall not be construed as implying that either Party shall have the right to use Background Intellectual Property of the other Party except as otherwise provided in this Agreement and neither Party will as a result of this Agreement, acquire any right, title, or interest in any Background Intellectual Property of the other Party.

3.5 As part of this Agreement, SOPHiA may communicate certain improvements, alterations, comments, feedback or suggestions to Agilent relating to Agilent Products (collectively, the “SOPHiA Feedback”) and Agilent may communicate certain improvements, alterations, comments, feedback or suggestions to SOPHiA relating to SOPHiA Products (collectively, the “Agilent Feedback”). SOPHiA Feedback shall be deemed Agilent Confidential Information hereunder and shall be owned solely by Agilent. Agilent Feedback shall be deemed SOPHiA Confidential Information hereunder and shall be owned solely by SOPHiA.

3.6 Except as specifically set forth in this Agreement, neither Party’s intellectual property shall be licensed, assigned or otherwise transferred to the other Party.

4. CO-MARKETING ACTIVITIES

4.1 Promotion of Agilent Products. In connection with the promotion by SOPHiA of the Agilent Products, Agilent hereby authorizes SOPHiA, its Affiliates, authorized distributors and resellers to promote Agilent Products in accordance with this Agreement, including, without limitation, providing marketing material, specifications (as indicated from time to time by Agilent) and otherwise mention the Agilent Products to its network of existing and new customers.

4.2 Promotion of SOPHiA Products. In connection with the promotion by Agilent of the SOPHiA Products, SOPHiA hereby authorizes Agilent, its Affiliates, authorized distributors and resellers to promote SOPHiA Products in accordance with this Agreement, including, without limitation, providing marketing material, specifications (as indicated from time to time by SOPHiA) and otherwise mention the SOPHiA Products to its network of existing and new customers.

4.3 Coordinated Marketing Activities. The Parties shall mutually agree on the marketing activities to be conducted with respect to the Complementary Offering. SOPHiA and Agilent, at their own respective costs and expense, shall use reasonable efforts to perform such marketing activities with the agreed upon timelines. Each Party is responsible for (i) printing, publishing and distributing at its own cost and expense, any such marketing materials, and (ii) training of its respective relevant sales and technical personnel in connection with the joint marketing and promotion of the SOPHiA Products and Agilent Products. For the avoidance of doubt all marketing materials (such as but not limited to marketing brochures and websites) shall be approved in writing by both Parties. Prior to use, marketing materials shall be sent to the other Party for approval, which shall not be unreasonably withheld.

4.4 Either Party may, upon prior written consent of the other Party, issue one or more press releases relating to this Agreement and to the Products herein. The text of any such press release shall be mutually agreed by both Parties and shall be subject to both Parties’ written consent before each time such release is used or published. Except for the information disclosed in such press release, neither Party shall reveal the terms of this Agreement in any publicity or advertising without the prior written approval of the other Party. Each Party shall have the right to identify the other Party and to disclose the terms of this agreement to the limited extent required by applicable laws and regulations, provided that the disclosing Party takes reasonable and lawful actions to minimize the degree of such disclosure.
5. **COORDINATED SALES ACTIVITIES**

5.1. **Sales promotion.** Within [**] after the date hereof, SOPHiA and Agilent shall each designate to the other in writing a key sales contact person (the "**Contact Person**") for coordinating the marketing activities, and on a regular basis thereafter such Contact Persons of the parties shall, subject to all applicable laws share with each other information regarding customers or potential customers ("**Leads**") of SOPHiA and Agilent for the sole purpose of promoting sales of the Complementary Offering, it being understood that:

5.1.1. The Contact Person for each Party may assign such Lead to a specified salesperson from such Party for follow-up with a designated salesperson of the other Party thereto. Any joint sales visit to any Lead shall be coordinated between the designated salesperson of SOPHiA and Agilent, and any travel costs or other expenses in connection with such sales visit shall be borne by the respective party.

5.1.2. The designated salesperson(s) shall promptly report to the Contact Person of the relevant Contact Person of SOPHiA and Agilent, respectively, the results of any such joint sales visit and the contemplated next steps.

5.1.3. Leads may be referred between either Party at the sole discretion of referring Party. However, referrals for Leads that will benefit the purposes of this agreement shall not be unreasonably withheld by either Party.

5.1.4. Lead information may be used solely for the purposes of promoting Sales of the Complementary Offering and for no other purpose.

5.1.5. Except as set forth herein, neither Party shall provide customer information to the other Party.

5.2. **Sales.** Except as contemplated pursuant to any other agreement pertaining to the same subject-matter, each of SOPHiA and Agilent shall sell their respective products to any Lead in separate sales transactions between SOPHiA and Agilent, respectively, on the one hand, and the Lead, on the other hand, and each of SOPHiA and Agilent shall invoice the Lead separately.

5.3. **After sales service.** SOPHiA shall be responsible for support requests from Leads with regards to the SOPHiA Product. Agilent shall be responsible for support requests from Leads with regards to the Agilent Product. If a Lead submits a support request to the incorrect party, the other party shall forward such request to the Contact Person for the other party within [**].

5.4. **Other products.** Each Party hereto acknowledges and agrees that the cooperative efforts hereunder are non-exclusive with regards to other products and/or services developed, produced, manufactured or sold by them respectively and not referenced to in this Agreement, and neither Party has the duty or obligations to refer any particular Lead, even if within the Territory, to the other Party. In addition, each Party acknowledges and agrees that the other Party hereto may promote, market, and sell its respective Products with the products of competitors of the other Party hereto, provided, however, that such Party does not breach its obligations under this Agreement (such as, without limitation, subsection 4.1 and Section 9). In addition, each Party acknowledges and agrees that the other Party may independently develop or acquire products that use or contain technology, ideas, concepts, know-how or techniques similar to those of the other Party’s hereunder and commercialize such product, provided, however, that such products are developed without the use of any Confidential Information of the other Party.

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5.5. **Pricing, payment and relationship with Leads.** It is understood that even if the Complementary Offering is marketed jointly by the Parties, the individual components of the Complementary Offering, constituting of the SOPHiA Product and Agilent Product(s), shall be sold individually. To that extent, the following conditions shall apply:

5.5.1. The Parties shall discuss in good faith when one of them becomes aware of a new Lead. Each Party shall determine in its sole discretion, the pricing for its applicable product for such Lead. The Parties shall not coordinate pricing for the Complementary Offering and shall not provide pricing to the other except for standard list prices and publicly available then-current market prices.

5.5.2. Upon acceptance of an offer by a Lead, each Party shall provide to the Lead a standard commercial agreement for their respective parts in the Products. Each Party shall be free to discuss its standard terms and conditions applicable to the sale of its Complementary Offering Product (such as terms of use, licenses or terms of sale) with such Lead. Such discussions shall be at each Party’s entire discretion, and a Party may elect to back out of an agreement if the terms requested by the Lead are not acceptable.

5.5.3. Each Party shall provide its respective product of the Complementary Offering to such Lead solely if the Lead has agreed to purchase both the SOPHiA Complementary Offering Product and the Agilent Complementary Offering Product, and the duration for the provision of the SOPHiA Complementary Offering Product and the Agilent Complementary Offering Product are the same.

5.5.4. Once the Lead has agreed to commercial terms with each Party, the Lead shall order SOPHiA Products from SOPHiA, and Agilent Products from Agilent.

5.5.5. Each Party shall invoice the Lead in accordance with their general terms and conditions, as indicated in their respective commercial agreements, and the Lead shall pay individually each Party for the SOPHiA Product and the Agilent Product, respectively.

5.5.6. Each Party agrees that during the term of the commercial agreement for such Lead, it shall not, directly or indirectly, dislodge or influence the Lead to purchase a product or service that would replace the Complementary Offering.

5.5.7. Should a Lead or a Party terminate its commercial agreement with one of the Parties for either the SOPHiA Products or the Agilent Products, the Party that was terminated shall provide notice to the other Party.

5.5.8. After the Parties consummate sale of their respective Product to the Lead, the Lead is a customer of each respective Parties and each Party is free to use the information required to provide services to such Lead consistent with such Party’s customer information policies.

6. **DATA PRIVACY**

6.1. **Independent Controllers.** With respect to Lead Personal Data, Agilent solely determines the purposes and means of Agilent’s Processing of such Personal Data. Similarly, SOPHiA solely determines the purposes and means of SOPHiA’s Processing of such Personal Data. Therefore, the Parties agree that each is an independent controller of such Personal Data. Each Party undertakes to comply with the following obligations with respect to such Personal Data:

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6.1.1. Each Party shall ensure that it has all necessary consents or other lawful grounds, and notices in place to enable lawful transfer of Personal Data to the other Party and for the other Party to Process such Personal Data in accordance with this Agreement. Each Party warrants and represents that it is and will at all relevant times remain duly and effectively authorized to provide the Personal Data to the other Party. In particular, each Party warrants and represents that (i) it has obtained and will maintain all necessary rights and authorization for such communication and processing by the other Party in accordance with the Agreement, (ii) it has informed the data subject about the processing in accordance with this Agreement and (iii) such Personal Data are adequate, relevant, limited to the purposes of the Personal Data processing in accordance with this Agreement, accurate and up-to-date. Each Party shall provide solely that Personal Data that is relevant for the purposes of this Agreement.

6.1.2. Each Party shall Process Personal Data in compliance with all applicable laws, including data protection laws, including GDPR.

6.1.3. Technical and organizational security measures that are appropriate to the risks, such as against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, presented by the processing must be taken by each Party.

6.1.4. In the event of any actual or suspected security incident affecting Personal Data provided by the other Party, the Party in receipt of such Personal Data shall notify the providing Party via e-mail within [**] of discovering such incident:
   For Agilent: to [**].
   For SOPHiA to [**]

6.1.5. Each Party shall notify the other Party promptly, and in any event within [**] of receipt of any correspondence from: (I) a data protection regulator in relation to Personal Data provided hereunder, or (II) a request or notice from a data subject exercising his rights under the data protection laws including to access, rectify or delete Personal Data provided hereunder.

6.2. Categories of Personal Data processed. Each Party may process (i) Agilent Product Data, which may contain Personal Data, which Personal Data is described in Exhibit 4, (ii) SOPHiA Product Data, which may contain Personal Data, which Personal Data is described in Exhibit 5, (iii) Lead Personal Data and (iv) Personal Data of any member of the personnel of each Party or any Affiliates (i.e. contact details).

6.3. Recipient of Personal Data. The access of the Personal Data set forth in Section 6.2 is limited to duly authorized members of the personnel of each Party, its Affiliates and its processors.

6.4. Transfer of Personal Data. Each Party shall not transfer such Personal Data to countries outside the European Union without adequate level of protection and without appropriate safeguards as defined by the data protection laws and in particular by the GDPR. It is understood that the Parties shall sign the European Union Standard Contractual Clauses.

6.5. Purposes of the processing. The aforementioned Personal Data will be processed by each Party to:
   • perform this Agreement, with regard to processing operations intended to carry out operations relating to the follow-up of the contractual relationship and to perform the contractual obligations of each Party (services, invoices, accounting, development of the agreed algorithm),

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6.6. **Period of processing.** The aforementioned Personal Data is subject to processing and shall be kept by each Party in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the aforementioned Personal Data are processed. In this respect, such Personal Data shall be kept for the duration of the Agreement, without prejudice to any retention obligations or limitation periods; provided, however, with respect to Lead Personal Data where a sale was made, a Party may retain such information in accordance with Section 5.5.8.

6.7. **Rights of data subject.** The data subjects may have a permanent right of access, rectification, limitation, restriction, opposition, erasure and portability to all their Personal Data, in accordance with the data protection laws. They also may have a right to lodge a complaint with a Supervisory Authority, if they consider that any processing of their Personal Data infringes the requirements of data protection laws. They may at any time make a request by sending an e-mail to SOPHiA GENETICS to [**] and to Agilent to [**]. For reasons of security and proof and to avoid any fraudulent request, this request must be accompanied by identity document.

6.8. Each Party understands that the other Party will collect Personal Data such as the Party’s personnel names and contact details on the basis of such other Party’s legitimate interests for the purpose of the efficient operation of the Agreement. Each Party will store and use the Personal Data in accordance with their respective security and privacy policies.

SOPHiA shall inform its affected personnel that Agilent will store and use SOPHiA’s personnel names and contact details in accordance with Agilent’s Privacy Statement, available at [www.agilent.com/go/privacy](http://www.agilent.com/go/privacy).

7. **TRADEMARKS**

7.1. Each Party will provide the other Party with electronic files containing the trademarks, logos and trade names of such Party for the limited purposes provided in Section 4 hereinabove. Only those trademarks, logos and tradenames required for the limited purpose of this Agreement shall be so provided.

7.2. **By SOPHiA.** SOPHiA hereby grants to Agilent and its Affiliates, during the Term hereof, a limited, non-sublicensable, non-transferable (except as set forth in subsection 13) royalty-free, non-exclusive right and license to use the SOPHiA Trademarks and SOPHiA Confidential Information in the Territory solely for the promotion and marketing of the SOPHiA Products as part of the joint marketing efforts contemplated herein, it being expressly understood that Agilent and its Affiliates shall discontinue the use thereof upon expiration or termination of this Agreement.

7.3. **By Agilent.** Agilent hereby grants to SOPHiA and its Affiliates, during the Term hereof, a limited, non-sublicensable, non-transferable (except as set forth in subsection 13) royalty-free, non-exclusive right and license to use the Agilent Trademarks and Agilent Confidential Information in the Territory solely for the promotion and marketing of the Agilent Products as part of the joint marketing efforts contemplated herein, it being expressly understood that SOPHiA and its Affiliates shall discontinue the use thereof upon expiration or termination of this Agreement.

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7.4. **Ownership of each Party’s marks.** Each Party acknowledges and agrees that it has no right, title or interest in the other Party’s marks, except the limited use of the same as provided herein or as otherwise provided in writing by the Parties, and that nothing in this Agreement shall be construed as an assignment or grant to any right, title or interest in the other Party’s marks. All use of marks owned by one Party (“Licensor”) by the other Party (“Licensee”) and goodwill created therein shall inure to the benefit of the Party owning the marks. The Licensor of the Trademark shall have the sole and exclusive right to enforce any rights in its Trademarks. Each Party shall assist the other Party in the maintenance and protection of the other Party’s marks and any registrations therefor by taking such acts and executing such documents, at the other Party’s expense, as the other Party reasonably requires to protect or register its marks anywhere in the world.

7.5. Other than the express licenses granted herein with respect to each Licensor’s Trademarks, nothing herein will grant to Licensee any other right, title or interest in Licensor’s Trademarks. The Licensor shall have the sole and exclusive right to enforce any rights in Licensor’s Trademarks.

7.6. Each use of a Party’s Trademarks by the other Party will be accompanied by a legend specifying that such Trademarks are trademarks of the other Party, and will be in accordance with the other Party’s then-current trademark usage policies as provided in writing from time to time. Any specific use by either Party (the “First Party”) of the other Party’s trademarks or trade names in any advertising copy, brochures, or literature or in promotional material, or on the letterhead of the First Party, shall be submitted in advance for approval by such other Party.

8. **WARRANTIES**

8.1. **Mutual Warranties.** Each Party represents and warrants that it has the right and authority to enter into this Agreement and to provide the rights granted hereunder, and that by entering into this Agreement, it will not violate, conflict with or cause a material default under any other contract, agreement, indenture, decree, judgment, undertaking, conveyance, lien or encumbrance to which it is a party or by which it or any of its property is or may become subject or bound.

8.2. **Compliance with Laws.** Each Party represents and warrants that no consent, approval or authorization of or designation, declaration or filing with any governmental authority is required in connection with the valid execution, delivery, and performance of this Agreement. Each Party shall, at its own expense, comply with all laws, regulations and other legal requirements that apply to it and this Agreement, including copyright, privacy and communications decency laws. All products marketed under this Agreement shall be marketed solely for research use only and each Party agrees to comply with all applicable laws regarding marketing of such Products. Each Party shall comply with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “Act”) and the U.S. Anti-Kickback Statute (42 U.S.C. 1320a-7b) and neither Party, nor any of its directors, officers, employees, or agents will make or offer to make any payment or gift directly or indirectly to any third party, including any employee, officer, or representative of any governmental entity or instrumentality or to any foreign political party, or candidate, save that gifts of a nominal value which comply with all applicable laws and regulations, and are not given to influence any commercial or official decision may be permitted.

8.3. **Conformity with published specifications.** Complementary Offering Products sold by a Party to end-user shall comply with its published specification, as may be revised from time to time by such Party. However, Agilent shall give no warranties on SOPHiA Products and SOPHiA shall give no warranties on Agilent Products.

8.4. **DISCLAIMER.** EACH OF SOPHiA AND AGILENT DISCLAIM ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN REGARD TO THE SOPHiA PRODUCT AND THE AGILENT PRODUCTS, RESPECTIVELY, AND THE RESPECTIVE SERVICES OF EACH.
9. INSURANCE

9.1. Coverage. During the Term, and for a period of [**] thereafter, each Party shall, at its own expense, maintain and carry in full force and effect, at least the following types and amounts of insurance coverage, to be issued by an insurance company with an acceptable rating: (a) commercial general liability with limits [**] in the aggregate, including bodily injury and property damage and product and advertising liability, which policy shall cover the activities of the Party under this Agreement; (b) Worker’s compensation insurance as required under applicable law; and (c) other such insurance as required under applicable laws and regulations.

9.2. Certificates. Upon request, each Party shall provide the other with copies of the certificates of insurance for all insurance coverage required under subsection 6.1, and shall not do anything to invalidate such insurance. This subsection shall not be construed as waiving, restricting or limiting the liability of either Party for any obligations imposed under this Agreement (such as the obligation to indemnify, defend and hold harmless the other Party under this Agreement).

10. INDEMNIFICATION AND LIMITATION OF LIABILITY

10.1. Indemnification. Each Party (the indemnifying party) agrees to indemnify and hold the other Party (the indemnified party) harmless from all claims, losses, expenses, fees including reasonable attorney’s fees (save for Europe where attorney’s fees will be excluded but local legislation will be followed), costs, and judgments to the extent resulting from any third party claim that may be asserted against the indemnified Party that results from (a) a direct result of the Party’s gross negligence, willful misconduct or malfeasance, (b) breaches of this Agreement by the indemnifying party, or (c) any claim alleging that the other party’s use of a licensing party’s Trademarks in accordance with this Agreement infringes upon any intellectual property right of a third party, or (d) a party’s Products infringes any third party intellectual property rights.

10.2. The indemnified party shall promptly notify the indemnifying party of any such claim in writing and the indemnifying party shall have the right to control the defense, including any settlement thereof; provided that the indemnifying party shall not settle any such claim without indemnified party’s prior written consent, not to be unreasonably withheld. The indemnified party shall reasonably cooperate with the indemnifying party in the defense of any such claim.

10.3. No consequential damages. NEITHER PARTY HERETO SHALL BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, INCLUDING LOST PROFITS ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES. NOTHING IN THIS SECTION IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY OR TO LIMIT A PARTY’S LIABILITY FOR BREACHES OF ITS CONFIDENTIALITY OBLIGATIONS.

11. CONFIDENTIALITY

11.1. The Parties shall keep confidential all Confidential Information of the other Party, provided that the receiving Party is entitled to disclose to its Affiliates and employees and bona fide third Parties (which, in the case of the SOPHiA, means its authorized end users, resellers and distributors and in the case of Agilent, includes Agilent’s authorized end users, distributors and resellers) Confidential Information only as far as is necessary to enjoy the rights granted or perform the obligations herein. The Parties shall also ensure that all Affiliates, employees and third Parties undertake the same or similar confidentiality obligations. The preceding undertakings shall not apply to information given that the receiving Party can show such information (i) is available in the public domain or is publicly accessible through no fault of the receiving Party, (ii) is obtained by the receiving Party from a third party who had the legal right to disclose the same to the receiving Party without obligation of confidentiality, (iii) is in the receiving Party’s prior possession without obligation of confidentiality, as evidenced by conclusive evidence or (iii) is independently developed by the receiving Party without reference to or use of Confidential Information as evidenced by conclusive evidence.

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11.2. In the event that the receiving Party is required by applicable laws, regulations or court order to disclose any of the disclosing Party’s Confidential Information, the receiving Party shall have the right to disclose any of such Confidential Information; provided that (a) it shall give the disclosing Party immediate notice thereof so that the disclosing Party may seek an appropriate protective order, and (b) it discloses only that portion of such Confidential Information that it is required to disclose. The receiving Party shall reasonably cooperate with the disclosing Party in its efforts to seek such a protective order.

11.3. Upon termination or expiration of this Agreement or at the disclosing Party’s request, the receiving Party shall return or destroy all documentary, electronic or other tangible forms of the disclosing Party’s Confidential Information, including without limitation any and all copies thereof. Any party conducting a destruction of the aforementioned information shall provide adequate evidence of the information’s destruction. Notwithstanding the foregoing, the receiving Party may retain one copy of the other Party’s Confidential Information solely to monitor its obligations hereunder.

12. FORCE MAJEURE

Neither Party shall be held responsible to the other Party for any default or delay in the execution of its obligations caused by circumstances beyond its control. Without limiting the generality of the foregoing, natural disasters, strikes, fires, war and insurrections and actions or government or regulatory bodies, which prevent a Party from performing under the Agreement shall be deemed to constitute force majeure, provided however, that the Party that is excused from performance takes all measures necessary to prevent, control or limit the effect of the force majeure so that performance may resume as soon as possible.

13. RELATIONSHIP OF THE PARTIES

Each Party is an independent contractor, and this Agreement shall not be construed to create any association, partnership, joint venture, employee, or agency relationship between SOPHiA and Agilent for any purpose. Each Party has no authority (and shall not hold itself out as having authority) to bind the other Party and each Party shall not make any agreements or representations on the other Party’s behalf without said other Party’s prior written consent.

14. TERM AND TERMINATION

14.1. Term.

a. Initial Term. The initial term of this agreement begins on the effective date and will continue for two (2) years, unless terminated earlier ("Initial Term");

b. Renewal Term by notice. Parties may renew this agreement for successive renewal terms of one (1) year each ("Renewal Term"); “Term” means the Initial Term together with any Renewal Term(s).

14.2. Termination. Notwithstanding any other provision of this agreement to the contrary, this agreement, or any extension thereof, may be terminated prior to the expiration of the term by each of the parties

(i) Upon [**] prior written notice to the other Party.

(ii) Immediately upon written notice to the other Party where the non-terminating Party is found in material breach of this Agreement and such breach remains uncured for a duration of [**] from the date on which said Party was notified of the breach in writing by the terminating Party.

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14.3. **Consequences of termination.** Upon termination or expiration of this Agreement, the following shall be put in place between the Parties:

14.3.1. Termination shall have no consequences upon the obligation of each Party to comply with purchase orders, contracts and other agreements entered into prior to the effective date of such termination of this Agreement and each Party shall have the right to fulfill any such obligations entered into prior to termination, including, without limitation, long-term commitments as appears from their respective contractual arrangements with Leads. The termination of this Agreement shall not terminate the liability of the breaching or defaulting Party, if any, resulting from such breach or default and indemnifiable under Section 10.

14.3.2. The Parties shall wind down operations of the Complementary Offering in a way that affects as little as possible each Party’s business operations and any Lead or customer’s operations over a course of [**] further to the termination or expiration date. To that end, it is agreed that any agreement concluded between a Party and a Lead on the Complementary Offering shall remain in full force and effect up until the shorter of (i) the non-renewal of the commercial contract for the Complementary Offering (which should be the same for each Product), (ii) the Lead elects to terminate the Agreement, or (c) upon mutual agreement of both Parties and the Lead. This subparagraph shall include multi-year agreements or firm commitments undertook by a Party. Each Party shall continue to support the Complementary Offering for the duration of the customer agreement with Leads.

14.3.3. The following Sections will survive any expiration or termination of this Agreement: 3, 6, 7.4, 7.5, 10, 11, 14.3 and 15. Notwithstanding the foregoing, the expiration or termination of this Agreement will not relieve the Parties of any liability or obligation that accrued prior to such expiration or termination.

14.3.4. Upon expiration or termination of this Agreement, each party will cease the display and use of the Trademarks and Products of the other Party and will not use or display the Trademarks or Products of the other Party except as permitted by applicable law.

14.4. Neither Party will be liable to pay compensation in money nor in kind or any other form for terminating the agreement according to article 12.2.

15. **MISCELLANEOUS**

15.1. **Notices.** Should a written notice be required under the terms of this Agreement, it shall be sent to the following address, by recommended mail:

If to Agilent:

Agilent Technologies, Inc.

[**]

With copy to:

Agilent Technologies, Inc.

[**]

If to SOPHiA:

SOPHiA GENETICS SA

Rue du Centre 172

**Page 12 of 19**

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
15.2. **Modification and waiver.** This Agreement may only be modified or amended by written agreement of both Parties. No amendment or waiver of terms of this Agreement is effective unless it is in writing and signed by both Parties.

15.3. **Waiver of Contractual Right.** The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver of limitation of that Party’s right to subsequently enforce and compel strict compliance with every provision of this Agreement.

15.4. **Governing law.** This Agreement is made pursuant to, and shall be construed and enforced exclusively in accordance with, the internal laws of the state of New York, without giving effect to otherwise applicable principles of conflicts of law. The United Nations Convention on Contracts for the International Sales of Goods is excluded in its entirety. The Parties hereby accept the jurisdiction of the federal courts of the state of New York, USA to resolve any dispute arising from this Agreement.

15.5. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and designees; provided, however, that neither party shall have the right to transfer, assign or delegate its rights or obligations under this Agreement or any portion thereof without the prior written consent of an authorized representative of the other party hereto (except that (i) either party may assign this Agreement without such consent to an Affiliate and (ii) either party may assign this Agreement without such consent to an entity which acquires all or substantially all of the assets of such party to which this Agreement relates).

15.6. **Interpretation.** This Agreement constitutes the entire agreement and understanding between the Parties concerning the subject matter hereof and supersedes all prior communications, negotiations and agreements concerning the subject matter.

15.7. **Counterparts.** This Agreement may be signed in counterparts with the same effect as if the Parties had all signed the same document. All counterparts shall be construed together and constitute one and the same document.

15.8. **Export Control.** The Parties agree to comply with all applicable United States laws and regulations that may govern the export of Products or information regarding the Products, including the Export Administration Act of 1979, as amended, any successor legislation, and the Export Administration Regulations issued by the Department of Commerce.

15.9. **No Third Party Beneficiaries.** Except as expressly set forth herein, no provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person or entity other than the Parties hereto and their respective successors and assigns.

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IN WITNESS WHEREOF, the said Parties have hereunto set their signatures:

AGILENT TECHNOLOGIES, INC.

/s/ Kevin Meldrum  
Name: Kevin Meldrum  
Title: Vice President and General Manager  
Date: December 7, 2020

SOPHiA GENETICS SA

/s/ Daan Van Well  
Name: Daan Van Well  
Title: General Counsel  
Date: December 18, 2020

/s/ Kevin Puylaert  
Name: Kevin Puylaert  
Title: VP Business Development  
Date: December 18, 2020

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SCHEDULE 1

SOPHiA Products

SOPHiA Complementary Offering Product

[*]

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SCHEDULE 2

Agilent Products

Agilent Complementary Offering Product

[**]

Non-exclusive Products

[**]

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SCHEDULE 3

Territory

The Territory shall include the following: Worldwide.

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Schedule 4
Agilent Product Data

Data generated by Agilent and shared with SOPHiA may include the following:

- [**]
- [**]
- [**]

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Schedule 5
SOPHiA Product Data

Data generated by SOPHiA and shared with Agilent may include the following:

- [**]
- [**]

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AMENDED AND RESTATED MANUFACTURING AND SUPPLY AGREEMENT

“Lockdown NGS Panels”

THIS AMENDED AND RESTATED MANUFACTURING AND SUPPLY AGREEMENT (this “Agreement”) is made and entered into as of October 9, 2018, (the “Effective Date”), between Integrated DNA Technologies a Delaware corporation located at [**] (“IDT”) and Sophia Genetics SA, and its subsidiaries and affiliates having an office at Rue du Centre 172, CH-1025 Saint Sulpice, Switzerland, (“Sophia”).

PREAMBLE

WHEREAS, the Parties hereto originally entered into a Manufacturing and Supply Agreement signed December 17, 2015 without Exhibits, and later entered into a subsequent agreement signed March 14, 2016 with finalized Exhibits, under which IDT supplied Sophia with certain NGS products which were limited for resale by Sophia to European customers only (collectively, the two agreements are the “Original Agreement”); and,

WHEREAS, both Parties wish to enter into this amended and restated Agreement, which supersedes and replaces the Original Agreement, by expanding the list of NGS products that Sophia can resell, and specifically to expand the customer base;

NOW, THEREFORE in consideration of the foregoing, and for other good and valuable consideration regarding terms of a supply arrangement between IDT and Sophia the Parties agree as follows:

ARTICLE 1
DEFINITIONS; SUPERSEDING AGREEMENT

Section 1.01. Definitions. All capitalized terms used in this Agreement, whether used in the singular or the plural, have the meanings set forth in Appendix D.

Section 1.02. Superseding Agreement. It is the intent of the Parties, to irrevocably replace and supersede the Original Agreement with this Agreement. The rights and obligations of the Parties are to be exclusively defined by the terms, conditions, rights, and obligations as expressed herein. All existing and future rights and obligations of the Parties, including specifically all post termination rights and obligations, contained in the Original Agreement, are hereby null and void, In the event any term of the Original Agreement is not specifically superseded or modified, or replaced by a corresponding term of this Agreement, it shall be construed as a deliberate omission by the parties.
ARTICLE 2
SUPPLY OF COMMERCIAL PRODUCTS BY IDT TO SOPHIA

Section 2.01. Manufacture and Supply. During the term of this Agreement, IDT shall manufacture and supply Sophia with the forecasted quantities of Commercial Products that are ordered by Sophia in accordance with the Product Specifications. IDT and Sophia shall maintain a Master Specification Document for all Commercial Products manufactured under this Agreement.

Section 2.02. Forecast. Sophia shall provide to IDT within [**] following the Effective Date and on a quarterly basis thereafter, a written good faith non-binding purchasing forecast of the aggregate quantities of Commercial Products, which Sophia expects to purchase during the following twelve months. Not later than [**] thereafter during the term of this Agreement, Sophia shall provide an updated twelve month rolling forecast of Sophia's expected requirements for Commercial Products in compliance with the requirements set forth above.

Section 2.03. Inventory/Capacity. IDT shall insure a sufficient inventory of all materials and manufacturing capacity needed to manufacture Commercial Products in the forecasted quantities.

Section 2.04. Purchase Orders. Sophia shall issue to IDT purchase orders and IDT will accept such purchase orders, subject to Article 6, which shall confirm the quantity of Commercial Products, the requested delivery date, and all other product information needed for the appropriate labeling and shipping arrangements for Commercial Products. Each order shall be submitted electronically to the MT Account Specialist identified as the Sophia account representative. Upon receipt of such purchase orders, IDT shall have [**] to accept to the requested delivery date or to reject it, and propose an alternative date of delivery.

Section 2.05. Additional Demand. Sophia may submit purchase orders to IDT for quantities of Commercial Products in excess of the forecasted quantities made pursuant to 2.02 above. IDT shall use commercially reasonable efforts to fill all such orders. If IDT expects to be unable to fill the portion of any such excess order then IDT shall notify Sophia immediately after receipt of the purchase order.

Section 2.06. Supply to Affiliates. If any other Affiliate of Sophia, namely Sophia Genetics Ltd, Sophia Genetics (France), and any other future affiliate, desires to purchase Commercial Products from IDT under the terms of this Agreement, then IDT shall accord such Affiliate all of the benefits hereof and treat such Affiliate as “Sophia” for the purposes of this Agreement, provided however that IDT reserves the right to revise pricing for any change in Product Specifications, labeling or other services associated with an Affiliate’s use of this Agreement to purchase Commercial Products.

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Section 2.07. Delivery to Customers of SOPHiA. IDT shall deliver the Commercial Products FCA-Coralville (Incoterms) in accordance with the MSD requirements of each purchase order to each Customer of SOPHiA address indicated thereon. For all inventoried items, IDT shall ship the Commercial Products within [**] of acceptance of the purchase order. The parties acknowledge that each stocking build of Commercial Products will require custom quote manufacturing lead times prior to the Commercial Products becoming available for shipment to Customers of SOPHiA.

Section 2.08. Failure to Supply to SOPHiA. If during the Term of this Agreement, IDT fails to supply SOPHiA’s requirements with respect to Commercial Products, SOPHiA may, at its discretion, upon [**] written notice to IDT either (a) require IDT to supply the undelivered conforming Commercial Products at a future date to be agreed upon by the Parties; or (b) terminate the then current purchase order. Failure of supply occurs when IDT cannot ship the amounts of Commercial Products firmly ordered by SOPHiA within [**] of the forecasted “worst-case” delivery date provided by IDT.

Section 2.09. Failure to Supply to Customers of SOPHiA. IDT shall not fail to supply customers of SOPHiA after acceptance of the shipping order. If IDT anticipates that the order cannot be fulfilled, IDT will inform SOPHiA within [**], and IDT will supply the conforming Commercial Products no later than [**] after order date.

Section 2.10. Title and Risk. Title and risk of loss pass to SOPHiA upon delivery of Commercial Products to SOPHiA. North American and international freight, insurance, and other costs relating to shipping of the Commercial Products shall be IDT’s responsibility and paid directly by IDT, and itemized on Agreement Product invoices as additional charges to be paid by SOPHiA to IDT.

ARTICLE 3
SUPPLY OF RESEARCH PRODUCTS FROM IDT TO SOPHiA

Section 3.01. Manufacture and Supply. SOPHiA may order Research Products using the IDT website ordering system. IDT will not apply any SOPHiA-specific forecasting, ordering, manufacturing, shipping or delivery rules to Research Products. Pricing specific to SOPHiA for Research Products is included in Exhibit C2.

ARTICLE 4
QUALITY AND WARRANTY

Section 4.01. Master Specification Documents/Changes. Once finalized by mutual agreement of the Parties, IDT shall not make any material changes to the procedures or specifications described in the Master Specification Document of any Agreement Product without the advanced notification of SOPHiA. A list of finalized MSDs is attached hereto as Exhibit B and may be added to or changed with each new Agreement Product or revision of referenced MSD upon written agreement by both parties. Alterations in quality control procedures and the Product Specifications may be introduced from time to time by prior written agreement between IDT and SOPHiA.

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
Section 4.02. Certificates of Manufacturing Compliance. IDT shall provide for each Agreement Product delivered a signed certificate of manufacturing compliance which will certify that the Agreement Product was manufactured in accordance with its applicable Product Specifications and Master Specification Document.

Section 4.03. Replacement. IDT shall replace at its own cost and expense, including reimbursement of freight and disposition costs incurred by Sophia, Agreement Products that fail to comply with the Product Specifications. Sophia shall notify IDT of the existence and nature of any non-compliance and IDT shall have a reasonable opportunity, not to exceed [**] from receipt of notification, to inspect such defective Agreement Product and provide Sophia with detailed written instructions to return or dispose of such defective Agreement Product. Sophia shall have no obligation to pay for any Agreement Product that is subject to such a claim of non-compliance or defect. For purposes of clarity, Agreement Products that conform in all material respects to the Product Specifications and when applicable the corresponding Master Specification Document, but that fail to functionally perform in Sophia’s assay, shall not be subject to replacement under this section 4.03, and the Sophia’s sole remedy shall be to reorder the Agreement Product under the same or an amended Product Specifications with an amended Master Specification Document when applicable.

Section 4.04. Warranty/Default Expiration Date. IDT warrants that all Agreement Products shall be delivered in compliance with the Product Specifications and will be manufactured in accordance with their respective Master Specification Document. Unless otherwise specified in an MSD or in this Agreement, for any Agreement Product that is or contains [**], the expiration date is [**], and for Agreement product that is or contains [**] the expiration date is [**]. The term “expiration date” is measured from the IDT delivery date, and means the date after which IDT no longer warrants that [**] will meet the analytical specifications included on the Certificate of Analysis, when retested by IDT using analytical methods and equipment substantially identical to the original methods and equipment. The expiration date warranty is expressly conditioned on [**]. IDT disclaims any and all other warranties, whether express or implied, regarding the design, merchantability or fitness for particular purpose of Agreement Products.

ARTICLE 5
AGREEMENT PRODUCT PRICING

Section 5.01. Prices. Prices for each Agreement Product shall be agreed upon for each Agreement Product upon completion of the corresponding Master Specification Document, and shall be incorporated into this Agreement as Exhibit C1. IDT’s acceptance of Sophia’s purchase orders and its obligations to make Commercial Products under the terms of this Agreement are made expressly subject to the Parties agreeing to pricing, Product Specifications, the resulting Master Specification Document, and delivery schedules.

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Section 5.02. **Price Changes.**

Section 5.03. “**Real Cost**” **Price Changes.** Within [**] of this Agreement, and [**], IDT shall notify Sophia in writing of any actual net increase or decrease in IDT’s cost in producing Commercial Products during such [**] then ended. If Sophia has ordered at least [**] of the forecasted quantities of Commercial Products pursuant to 1.2 of this Agreement, the price for Commercial Products [**]. [**].

Section 5.04. “**Short of Forecast**” **Price Changes.** If Sophia has not ordered at least [**] of the forecasted quantities during the [**] of this Agreement, IDT may [**].

Section 5.05. **Payments.** Upon delivery of Commercial Products, IDT will provide an invoice to Sophia which shall be payable by Sophia within [**] after the date of the invoice for the Commercial Products. All payments shall be made in Euros. Unless otherwise specified, each payment under this Agreement shall be made to IDT by check to the following address:

Integrated DNA Technologies, Inc.
[**]

ARTICLE 6
**TERM AND TERMINATION**

Section 6.01. **Term.** This Agreement shall become effective on the Effective Date and shall have an initial term of five (5) years. This Agreement shall automatically renew for additional one (1) year periods, unless either Party notifies the other of its desire not to renew this Agreement within [**] prior to the end of the initial term. Notwithstanding the foregoing, Sophia shall have the right to terminate this Agreement in the event the Parties are not able to agree on the price changes as set forth in Section 5.03 and 5.04 without any liability.

Section 6.02. **Termination for Breach.** The Agreement may be terminated by giving written notice to take effect immediately by either Party for failure to meet essential terms of the Agreement by the other Party, such termination entering into effect in case the Party in default is not able to remedy its failure within [**] upon written notice of such failure by the other Party.

Section 6.03. **Effects of Termination — Sell-off Rights.** Upon termination of the Agreement, Sophia shall have [**] from the effective date of termination to sell off the remaining Commercial Products, after which Sophia shall immediately return all Commercial Products to IDT.

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ARTICLE 7
CONFIDENTIALITY

Section 7.01. The Parties agree to keep confidential and proprietary and not to disclose any confidential information obtained pursuant to the performance of their duties and obligations under this Agreement, including but not limited to, sequence information, product pricing, know how, and trade secrets for a period of [**] thereafter and will not use it other than as permitted under this Agreement. Said information includes all information and data whether in writing or in any eye or machine-readable form and whether nominated as confidential or not. Any person performing work on behalf of one of the Parties under this Agreement, including but not limited to employees or distributors, to the extent such work is permitted under this Agreement, shall not be considered as third party within the meaning of this Section, provided that such persons assume in writing the same confidentiality obligation. The above obligations of confidentiality shall not apply to the extent:

(a) Such information is general public knowledge or, after disclosure hereunder, becomes general or public knowledge through no fault of the receiving Party; or Such information can be shown by the receiving Party by its written records to have been in its possession prior to receipt thereof hereunder; or

(b) Such information is received by the receiving Party from any third party for use or disclosure without any obligation to the disclosing Party; or

(c) Such information is developed independently without being based on information disclosed hereunder; or

Section 7.02. The disclosure of such information is required to comply with or fulfill governmental requirements, submissions to governmental bodies, or the securing of regulatory approvals, provided that such governmental authorities will be made aware of the confidential character of such information and that the disclosing Party will be informed by the receiving Party of its disclosure obligation sufficiently in advance.

ARTICLE 8
INDEMNITY AND LIMITATION OF LIABILITY

Section 8.01. Product Design/Clinical Use/Compliance. The Parties hereto acknowledge that Sophia, and not IDT, has designed and developed all Agreement Products for their use, or for their potential use in clinical or diagnostic applications. The Parties further acknowledge that IDT did not engage or otherwise contribute to, or participate in, any of the following acts of product design or development: (i) [**], (ii) assay design and optimization, (iii) clinical trial design, implementation or reporting, (iv) establishing any clinical testing procedure or standard, (v) performing any false positive or false negative risk analysis or mitigation, (vi) establishing any product labeling requirements, or (vii) performing any other act that is in any way related to the design of

6

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
the clinical product or service in which the Agreement Products are used, hereafter collectively ("Product Design"). Sophia acknowledges that IDT’s obligations and responsibilities with respect to the clinical performance of Agreement Products are expressly limited to IDT manufacturing Agreement Products in compliance in all material respects with the Product Specifications and Master Specification Document provided herein, and all laws, rules and regulations applicable to the manufacture and shipment of Agreement Products. For further clarity, Sophia and not IDT is responsible for making the final determination of whether a compliant regarding an Agreement Product sold by Sophia to a Sophia customer must be reported to the US FDA, China FDA (CFDA) or any other comparable foreign agency, and for otherwise complying with all FDA regulations and applicable foreign regulatory requirements pertaining to field alerts, field actions, and/or the reporting of adverse device events, including specifically 21 CFR Part 803, regarding any Agreement Product used or sold by Sophia.

Section 8.02. IDT Indemnification. IDT shall indemnify and hold harmless Sophia and its directors, officers, employees and agents from and against any and all costs, claims, damages, expenses and liabilities asserted by any third party to the extent that such third party claim arises out of the delivery to Sophia of Agreement Products that fail to conform to the Product Specifications of the Agreement Products by IDT, except to the extent such third party claim arises out of any breach of this Agreement by Sophia or the gross negligence or willful misconduct of Sophia, its directors, officers, employees or agents.

Section 8.03. Sophia Indemnification. Sophia shall indemnify and hold harmless IDT and its directors, officers, employees and agents from and against any and all costs, claims, damages, expenses and liabilities asserted by any third party to the extent that such third party claim arises out of or is otherwise related to Product Design, as herein defined, except to the extent such third party claim arises out of any breach of this Agreement by IDT or the gross negligence or willful misconduct of IDT, its directors, officers, employees or agents.

Section 8.04. LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS UNDER SECTIONS 8.02 AND 8.03 HEREIN, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER ENTITY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT OR RELIANCE DAMAGES, HOWEVER CAUSED, WHETHER FOR BREACH OF CONTRACT, NEGLIGENCE OR UNDER ANY OTHER LEGAL THEORY, WHETHER FORESEEABLE OR NOT AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NOTWITHSTANDING THE FOREGOING, EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS UNDER SECTIONS 8.02 AND 8.03 HEREIN, NEITHER PARTY’S TOTAL LIABILITY UNDER THIS AGREEMENT SHALL EXCEED THE TOTAL AMOUNT PAID BY SOPHIA TO IDT.

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ARTICLE 9
INTELLECTUAL PROPERTY

Section 9.01. Improvements. All inventions that are made directly as a result of the manufacture of Agreement Products and that are (or that claim) improvements to Agreement Products ("Product Improvement IP") will be owned by Sophia, notwithstanding that employees of both Parties may be involved in an invention or IDT’s or Sophia’s employees alone are the inventors. IDT shall automatically obtain a fully-paid up, royalty-free, worldwide license, which shall be revocable upon termination or expiration of this Agreement, to the Product Improvement IP to make, have made, use (for purpose of manufacturing the Agreement Products only), and sell Agreement Products exclusively to Sophia. Notwithstanding the foregoing, IDT shall own without obligation to Sophia, any and all inventions that are related to IDT’s general [**] manufacturing methods, and any other invention or other form of intellectual property that is not Product Improvement IP. IDT will immediately inform Sophia of any new Product Improvement IP and will, upon Sophia’s request, support Sophia by executing all required documentation and acts which are necessary for the transfer of such rights to Sophia. Any expenses of IDT in this regard will be reimbursed by Sophia. For clarification purposes, all feedback on the Agreement Products shall be considered Sophia’s Product Improvement IP and shall not be used for other customers or third-party Sophias. The Product Improvement IP license herein is only for the purpose of manufacturing and providing Sophia the Agreement Products in accordance with this Agreement.

Section 9.02. Suspension of Supply. IDT may immediately and indefinitely suspend the supply of Agreement Products, if IDT has a reasonable knowledge that its supply of Agreement Products to Sophia will infringe a third-party patent or otherwise put IDT at substantial risk of becoming the subject of litigation with a third-party. In such an event, IDT and Sophia will immediately make best efforts to redesign Agreement Products and Master Specification Documents so as to permit ongoing supply under the terms of the Agreement.

ARTICLE 10
MISCELLANEOUS

Section 10.01. Dispute Resolution. The Parties recognize that disputes may from time to time arise between the Parties during the term of this Agreement. It is the objective of the Parties to establish procedures to facilitate the resolution of disputes arising under this Agreement in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Parties agree to follow the procedures set forth in this Section 10.01 to resolve any dispute arising under this Agreement. In the event of such a dispute between the Parties, either Party, by written notice to the other Party, have such dispute referred to the Parties’ respective executive officers designated below or their successors, for attempted resolution by good faith negotiations within [**] after such notice is received. Said designated officers are as follows:

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In the event the designated executive officers are not able to resolve such dispute after such [**] period then the Parties shall resolve such dispute by arbitration under the [**]. Three arbitrators shall be selected. IDT and Sophia shall each select one arbitrator and the two chosen arbitrators shall select the third arbitrator, or failing agreement on the selection of the third arbitrator, [**] shall select the third arbitrator. Unless otherwise agreed by the Parties, arbitration will take place in [**]. The fees and expenses of the arbitration panel and the cost of the arbitration (including lawyers fees) shall be borne by the Party against whom the arbitration award rules or, to the extent a Party is only partially successful, on a pro-rata- basis in proportion to the amount awarded by the arbitration panel compared to the total amount of the claim.

Section 10.02. Notices. All notices shall be in writing mailed via certified mail, return receipt requested, courier, or facsimile transmission addressed as follows, or to such other address as may be designated from time to time:

If to IDT to: [**]

If to Sophia, to:
Sophia Genetics,
Rue du Centre 172,
CFI-1025 Saint Sulpice,
Switzerland
Attention: [**]

All notices, requests, consents and other communications hereunder shall be deemed to have been (a) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (b) if sent by facsimile transmission, at the time receipt has been acknowledged by electronic confirmation or otherwise, (c) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (d) if sent by certified mail, on the first business day following the day such mailing is made.

Section 10.03. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of England, without regard to the application of principles of conflicts of law.

Section 10.04. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.

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Section 10.05. **Headings.** Section and subsection headings are inserted for convenience of reference only and do not form a part of this Agreement.

Section 10.06. **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original.

Section 10.07. **Amendment; Waiver.** This Agreement may be amended, modified, superseded or canceled, and any of the terms may be waived, only by a written instrument executed by each Party or, in the case of waiver, by the Party or Parties waiving compliance. The delay or failure of any Party at any time or times to require performance of any provisions shall in no manner affect the rights at a later time to enforce the same. No waiver by any Party of any condition or of the breach of any term contained in this Agreement, whether by conduct, or otherwise, in any one or more instances, shall be deemed to be, or considered as, a further or continuing waiver of any such condition or of the breach of such term or any other term of this Agreement.

Section 10.08. **Independent Contractors; No Agency or Partnership.** The relationship between the IDT and Sophia is that of independent contractors. Nothing contained in this Agreement shall give either Party the right to bind the other, or be deemed to constitute the Parties as agents for the other or as partners with each other or any third party.

Section 10.09. **Assignment and Successors.** This Agreement may not be assigned by either Party without the consent of the other Party, except that either Party may assign this Agreement and its rights, obligations and interests hereunder, in whole or in part, to any of its Affiliates and/or to any successor to substantially all of that Party’s business to which this Agreement relates.

Section 10.10. **Force Majeure.** Neither IDT nor Sophia shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of IDT or Sophia. In event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

Section 10.11. **Interpretation.** The Parties hereto acknowledge and agree that: (i) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision; and (ii) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

Section 10.12. **Integration; Severability.** This Agreement is the sole agreement with respect to the subject matter hereof and supersedes all other agreements and understandings between the Parties with respect to the same. If any provision of this Agreement is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the Parties that the remainder of the Agreement shall not be affected.

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For general specifications regarding the IDT Exome Research Panel, see:

For general specifications for additional panels, see: www.idtdna.com

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EXHIBIT B

CONTROLLED MSDS

[**]

B-1

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EXHIBIT C1

COMMERCIAL PRODUCT PRICING

Additional Terms and Conditions:

Product pricing for the IDT Exome Research Panels, and all other IDT Lockdown NGS panels are made subject to the following terms, conditions, and restrictions, and all sales of such products under this Agreement are made subject expressly to the following:

1. **Authorized Use In Sophia Products/Not for Resale.** Sophia is expressly permitted to incorporate the Commercial Products into Sophia products and services to be sold to Sophia’s Authorized Customers; provided however, that (i) a “Sophia Authorized Customer” shall mean and be expressly limited to a third party in any country, which customer has (ii) subscribed to, or otherwise contracted with Sophia to use its bioinformatics softwares and data analysis solutions, and (iii) the Commercial Products must be incorporated into a Sophia branded value-added product or service, and may not be resold as a separate standalone product without IDT’s express written consent.

2. **Regulatory Approval.** Without limiting the scope of 7.1 herein, as between the parties, Sophia, and not IDT, shall be responsible for: (i) satisfying any and all regulatory requirements, (ii) corresponding with or in response to regulators and/or registrars, and (iii) applying for and obtaining any certifications required for the use of the Commercial Products in Sophia products, and/or sold to Sophia’s Authorized Customers.

3. **Customer Support.** Customer support shall be organized in three levels of support:

[**]

C1-1

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EXHIBIT D

DEFINITIONS

For the purpose of this Agreement, the terms set forth herein shall be defined as follows:

"Agreement Products" shall mean (i) Commercial Products and (ii) Research Products.

"Affiliate" shall mean any company, corporation, partnership or other business entity which directly or indirectly controls or is controlled by, or is under common control with Sophia or IDT. For the purpose of this Agreement the term "control" (including the terms "controlled by" and "under common control with") shall mean the possession of the power to direct or cause the direction of the management or policies of the company, corporation, partnership or business entity involved, whether through the ownership of at least 50% (in words: fifty percent), by contract or otherwise.

"Commercial Products" shall mean [**] ordered for use in or as commercial products to be marketed and sold by Sophia, and which are defined and governed by a Master Specification Document.

"End User" shall mean a purchaser of Agreement Products or a distributor of Agreement Products.

"Master Specification Document (MSD)" shall mean a comprehensive controlled document, approved by Sophia, that defines the procedures and methods by which IDT will manufacture Commercial Products (in a form similar to the MSD attached hereto as Exhibit A), and that can be changed only with the prior notice and approval of Sophia. Whenever possible, Commercial Products will be organized into product classes that have product specifications and process requirements consistent with the MSD groupings included in Exhibit B, as amended from time-to-time.

"Party" shall mean either Sophia or IDT individually, as the context requires.

"Parties" shall mean both Sophia and IDT jointly.

"Product Specifications" shall mean analytical specifications, sequences, formulation specifications, and other product requirements as defined by Sophia for each individual Agreement Products, and with which IDT will develop a corresponding Master Specification Document, if applicable.

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
“Research Products” shall mean products that are ordered via the website (www.idtdna.com) and that are manufactured, and delivered according to IDT’s standard specifications, procedures and deliverables.

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APPENDIX I

[*]

Ap.-1

Certain confidential information contained in this document, marked by [*], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
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AMENDMENT NO.1 TO A MANUFACTURING AND SUPPLY AGREEMENT

BETWEEN: 

SOPHiA GENETICS S.A., a corporation established under the laws of Switzerland, registered at the Swiss Companies Registration Office under number CH-550.1.086.569-3, whose registered office is at Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland,

(hereinafter referred to as “SOPHiA”)

AND:

INTEGRATED DNA TECHNOLOGIES, INC., a corporation established under the laws of Delaware with a place of business at [**],

(hereinafter referred to as “IDT”)

RECITALS

WHEREAS The Parties entered into an “Amended and Restated Manufacturing and Supply Agreement” on October 9th, 2018 (the “Main Agreement”);

WHEREAS, IDT agrees to provide additional warranties with regard to the shelf-life of a Commercial Product, as such term is defined in the Main Agreement

WHEREAS the Parties wish to witness their agreement in writing;

CONSEQUENTLY, FOR GOOD AND VALUABLE CONSIDERATION, THE PARTIES AGREE TO MODIFY THE AGREEMENT IN GOOD FAITH AS FOLLOWS:

1. RECITALS

The recitals shall be construed as part of this Amendment.

2. AMENDED PROVISION

As of the date of the last signature of this Amendment by the Parties, the Parties hereby agree to modify the Main Agreement by adding a subsection 3.5 immediately following subsection 3.4 of the Main Agreement, which shall read as follows:

“IDT represents and warrants the Commercial Products delivered under this Agreement shall have a shelf-life of [**] (i.e., an “expiration date”) from the date where they are delivered to Sophia. Sophia shall be entitled to reject Products that do not comply with this provision, and IDT shall replace any such rejected Product promptly with compliant Products.”
3. NON-AMENDED PROVISIONS

Any provision that is not expressly modified or mentioned by this Addendum shall remain in force and apply mutatis mutandis between the Parties.

(Signature page follows)

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
IN WITNESS WHEREOF, THE PARTIES HAVE AGREED TO SIGN THIS AGREEMENT AS FOLLOWS:

<table>
<thead>
<tr>
<th>SOPHiA GENETICS S.A.</th>
<th>IDT, INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>By: /s/ Damien Lapray</td>
<td>By: /s/ Todd E. McManus</td>
</tr>
<tr>
<td>Name: Damien Lapray</td>
<td>Name: Todd E. McManus</td>
</tr>
<tr>
<td>Title: CCO</td>
<td>Title: General Counsel</td>
</tr>
<tr>
<td>Date: 5/4/2019</td>
<td>Date: 4 March 2019</td>
</tr>
</tbody>
</table>

By: /s/ Valentin Matillon  
Name: Valentin Matillon  
Title: CFO  
Date: 5/4/2019

Certain confidential information contained in this document, marked by [**], has been omitted because SOPHiA GENETICS SA (SOPHiA) has determined that the information (i) is not material and (ii) is the type that SOPHiA customarily and actually treats as private or confidential.
OEM SUPPLY AGREEMENT
(the “Agreement”)

Agreement made as of January 19, 2018

between

QIAGEN GmbH, [**]
(hereinafter to be referred to as the “Vendor”)

and

Sophia Genetics SA, Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland (hereinafter to be referred to as the “Purchaser”).

WHEREAS QIAGEN is skilled and experienced in the development, manufacture and marketing of certain amplification technologies including library amplification kits applied for Next Generation Sequencing Technologies for the research and diagnostic markets;

WHEREAS the Purchaser wishes to purchase from the Vendor certain products as defined herein for distribution in combination with the Purchaser’s end product (“the Combined Product”) and the Vendor is willing to supply and sell the same to the Purchaser on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the Parties hereby agree as follows:

In consideration of the appointment and the promises herein contained, the Vendor and the Purchaser (in the following also referred to as “Parties”) agree as follows:

ARTICLE 1
DEFINITIONS

In this Agreement, each of the terms listed below has the following meaning:

Section 1.1. Affiliate. The term “Affiliate” shall mean any corporation, partnership or other business organization which either Party directly or indirectly controls or any company by which either Party is controlled by or is under common control with or any organization the majority ownership of which is directly or indirectly common to the majority ownership of a Party hereto. For the purpose of this Agreement “control” shall mean the holding of 50% (fifty percent) or more of the voting stock or other ownership interests of the corporation or business entity involved.
Section 1.2. Calendar Year. The term “Calendar Year” shall mean a period from January 1st until December 31st of each year.

Section 1.3. Products. The term “Products” (or “Product”) shall mean the goods of Vendor as listed in Schedule A of this Agreement.

Section 1.4. Purchaser Product. The term “Purchaser Product” shall mean Sophia Genetics’ bundle solutions, combining capture-based next-generation sequencing assays with SOPHiA™ artificial intelligence to enable superior detection of genomic variants.

Section 1.5. Combined Product. The term “Combined Product” shall mean the combined product consisting of Product and the Purchaser Product.

Section 1.6. Denied Transaction. The term “Denied Transaction” shall have the meaning as set forth in Section 2.3.

Section 1.7. Effective Date. The term “Effective Date” shall mean the date first written above.

Section 1.8. FCPA. The term “FCPA” shall mean the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 1.9. Public Official. The term “Public Official” shall mean official or employee of any governmental authority or instrumentality, or of a public international organization, or of any agency or subdivision thereof, or to any political party or official thereof or to any candidate for political office.

Section 1.10. Forecast. The term “Forecast” shall have the meaning set forth in Section 2.10.

Section 1.11. OEM Customers. The term “OEM Customers” shall mean [**].

Section 1.12. Recall. The term “Recall” shall mean a recall, field alert, stock recovery, product withdrawal, field correction or other similar corrective action relating to a Product.

Section 1.13. Specifications. The term “Specifications” shall mean the specifications described in Schedule D to this Agreement.

Section 1.14. Trade-Marks. The term “Trade-Marks” shall mean the trade symbols and marks used by Vendor during the term of this Agreement.

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Section 1.15. Territory. The term “Territory” shall mean the territories of the following countries: worldwide with the exception of the United States of America until October 4th, 2017, thereafter worldwide. For clarity: from October 5th, 2017, on the territory will mean worldwide.

ARTICLE 2
DISTRIBUTION

Section 2.1. Distribution Right. QIAGEN hereby grants the Purchaser the exclusive right to resell the Product in conjunction and repackaged as described in Schedule C with Purchaser Product in the Territory. For clarity: The Product in its contemplated form, meaning with label stating that the product is manufactured for Sophia Genetics will be supplied exclusively to Sophia Genetics and not sold to any other customer with such label. The distribution right is limited to the sale to end-users and the Purchaser’s distributors and shall not include sales to third parties with the intention to use the Combined Product for OEM purposes and Denied Transactions. For clarity purpose, Vendor does not grant any other distribution right, neither non-exclusive nor exclusive, for any other Vendor product to Purchaser. A breach of the restriction set forth in this Section 2.1 the Purchaser shall be considered a material breach of this Agreement.

Section 2.2. Resale. The Purchaser will resell the Product only in conjunction and repackaged as described in Schedule C with Purchaser Product as Combined Product. In no case will the Purchaser resell the Product as stand-alone item or single items of the Product only, except for product replacements, quality control, and any other special circumstance that requires stand-alone product, which shall be discussed in good faith by the Parties. A breach of this provision by the Purchaser shall be considered a material breach of this Agreement.

Section 2.3. Compliance.

(a) The Purchaser shall comply with all applicable customs and export control regulations. In particular, without limitation, the Purchaser shall refrain from any transactions in relation to the goods delivered by the Vendor which would violate any sanctions, embargoes or foreign trade restrictions issued by European Community or the United States of America or any applicable national export law (referred to as “Denied Transaction”) A breach of this obligation by the Purchaser shall be considered a material breach of this Agreement.

(b) The Purchaser is also responsible for compliance with all other laws and regulations, regulatory requirements, guidelines and decisions of judicial or regulatory bodies which may apply to the distribution of the Product in conjunction with the Purchaser Product in the Territory. The Purchaser will ensure that the distribution of the Product in conjunction with the Purchaser Product in the Territory will not infringe on any patent and other proprietary rights of Third Parties. A breach of this obligation by the Purchaser shall be considered a material breach of this Agreement.
Section 2.4. Regulatory Approval of Product. The Vendor provides the Product for sale in the research market. The Vendor does not manufacture the Product in accordance with GMP requirements unless explicitly agreed between the Parties in writing. The Purchaser will be solely responsible for obtaining any regulatory approval that may be required for marketing of the Combined Product (e.g. CE mark under IVDD requirements, FDA or equivalent). The Vendor will use commercially reasonable efforts to support the Purchaser in obtaining such regulatory approval, provided that such efforts shall be compensated by the Purchaser on commercial terms to be negotiated by the Parties in advance in good faith.

Section 2.5. Regulatory Approval of Combined Product. The Purchaser shall be the legal manufacturer of the Combined Product and shall be solely responsible for obtaining any regulatory approval that may be required.

Section 2.6. Labeling. Labeling of the Combined Product shall refer to the Purchaser as the legal manufacturer.

Section 2.7. Kit design. The kit design and packaging of all compounds is subject to Schedule C of this agreement.

Section 2.8. Promotional Materials. The Purchaser shall be solely responsible for the preparation of all its sales literature, advertising and promotional materials.

Section 2.9. Customer Technical Support. The Purchaser shall train its personnel and establish product information database such that the Purchaser can perform the technical support to its customers. The primary point of contact for the purposes of technical support to the Purchaser at QIAGEN Technical Support is the following e-mail address: [**].

Section 2.10. Supply Requirements.

(a) The Vendor shall use commercially reasonable efforts to manufacture and deliver those quantities of the Product duly forecasted by the Purchaser and to fill the Purchaser’s orders in excess thereof.

(b) The Purchaser shall provide the Vendor within [**] from execution of this Agreement with a 6-months’ monthly rolling written Forecast, setting out the Purchaser’s quarterly requirements of the Product. The Forecast for the immediately following quarter shall constitute a binding purchase obligation. The forecasted quantities for each quarter shall not deviate by more than [**] from the Forecast previously made for the respective quarter. Notwithstanding the foregoing the parties will meet at least once per quarter to discuss and, in case needed, adjust the rolling written Forecast. In case the Purchaser identifies a need to increase the Forecast by more than [**] from the previous Forecast, the Vendor will use commercial reasonable efforts to implement such changes within [**] from notification into the production.
(c) All purchase orders for Products received by the Vendor from the Purchaser are subject to acceptance by Vendor at Vendor’s office in Hilden, Germany, or, as the case may be at the office of an Affiliate of Vendor, which acceptance will not be unreasonably withheld. All purchase orders shall contain the purchase order number, the Product catalogue number, name and quantity (which shall not deviate from the forecasted quantities) and total purchase price of the Product in Swiss Francs (CHF).

(d) The Vendor shall use commercially reasonable efforts to deliver Product which is duly forecasted and ordered by the Purchaser within [**] of receipt of the purchase order from the Purchaser. The Vendor shall use commercially reasonable efforts to deliver Product which is not duly forecasted and ordered by the Purchaser within [**] of receipt of the purchase order from the Purchaser.

(e) Subsequent deliveries are dependent on the timely receipt of payment of the former deliveries as set forth in Section 2.14(g), even if the former payment is not yet due.

(f) Purchase Forecast. The Purchaser shall purchase from Vendor and maintain an inventory of such quantities of the Products (the “Minimum Purchase Forecast”) as agreed between the parties on an annual basis. For the avoidance of doubt, the Minimum Purchase Forecast shall be measured by invoice values. The first applicable Minimum Purchase Forecast for the calendar year 2018 are set forth in Schedule B.

(g) Failure to meet the Minimum Purchase Forecast. If the Purchaser does not place orders for the agreed upon Minimum Purchase Forecast of the Product in any individual year of the Agreement, the Purchaser will pay the difference in applicable price in a one-time payment within the last month of the respective calendar year. In case Purchaser fails to order at least [**] of the Minimum Purchase Forecast within [**], Vendor shall be entitled to terminate the Agreement on [**] notice.

(h) In case that the Minimum Purchase Forecast is overfulfilled within a Calendar Year the respective lower price tier will [**] (as exemplified in Schedule B, Example B).

Section 2.11. Reports.

(a) Purchaser shall promptly notify Vendor of any suspected infringement by any third party within the Territory of any patents relating to the Products and/or any of the Trade-Marks.

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Section 2.12. Non-Agency. At all times during the duration of the Agreement, Purchaser shall act as an independent contractor and neither shall the making of this Agreement nor the performance of any of the provisions thereof be construed to constitute Purchaser a commercial agent or legal representative of Vendor for any purpose, nor shall this Agreement be deemed to establish a Joint Venture or Partnership. Each purchase of the Products by Purchaser from Vendor pursuant to this Agreement, each sale of the Products made by Purchaser, and each Agreement or commitment made by Purchaser to any person, firm or corporation with respect thereto shall be made by Purchaser for its own account as principal and its own expense.

Section 2.13. Expenses. Except as provided elsewhere in this Agreement, or as the Parties may from time to time expressly agree in writing, Purchaser shall bear the entire cost and expense of its performance of this Agreement, including, but not limited to, bad debt expense, inventory losses, commissions and taxes. In no event shall Vendor be liable for any expenses incurred by Purchaser unless Vendor has specifically agreed, in writing, to pay such expenses.

Section 2.14. Price and Terms of Payment.

(a) The Products will be invoiced to Purchaser at the prices shown in Schedule A.

(b) All prices are understood to be CIP Roermond (Incoterms 2010). Shipment costs will be borne by the Purchaser per pricelist shown in Schedule E. At request of the Purchaser, the Vendor will deliver the Product to a carrier for shipment to the destination indicated by the Purchaser at the Purchaser’s risk and cost.

(c) All Prices are exclusive of VAT and other taxes imposed by any government authority, all of which costs and taxes shall be borne by the Purchaser. In the event the Vendor is required to prepay any such tax or fee, the Purchaser will reimburse the Vendor promptly upon receipt by the Purchaser of documentation reasonably acceptable to the Purchaser supporting the Vendor’s prepayment. When applicable, any such charges shall be stated as separate line items the Vendor’s invoice(s).

(d) The Price set forth in Schedule A shall be firm until the end of 2018. Thereafter, the Price will be adjusted [*]. The Vendor will use reasonable commercial efforts not to [*]. In case increases in raw material costs and/or other production related costs causing [*], the Vendor will [*] to the Purchaser. Based on such provided evidence the parties will negotiate in good faith and mutually agree upon the adjusted Price.

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Until December 31st 2017 the price of the product is [**]. In case a higher price was invoiced for product in 2017 the difference between the prices will be applied as price reduction to the next invoiced order from signature of this Agreement.

The parties do agree upon [**] payable by Purchaser, which will be aliquoted as [**] to the [**]. In the case the Purchaser fails to order [**] within [**] of the agreement a [**] will be invoiced separately with a single invoice.

Each payment by Purchaser is to be made in Swiss Francs (CHF), within [**] upon date of invoice. Any late payments will bear a default interest of [**] per month. Further, [**].

ARTICLE 3
GENERAL PROVISIONS

Section 3.1. Certificate of Analysis. For custom products only: The Vendor shall send an electronic copy of a Certificate of Analysis with each lot of Product delivered. No special testing shall be required for the Product. An example of the Certificate of Analysis is enclosed in Schedule D.

Section 3.2. Entry Inspection. In the event that the delivered Product fails to comply with the Specifications described in Schedule D at the time of its receipt by the Purchaser or in the event that any delivered quantity of Product falls short of the ordered quantity, the Purchaser shall notify the Vendor in writing within a period of [**] from receipt of the respective delivery of Products. Hidden defects, such as but not limited to functional underperformance or unusual product decay over time, which could not be detected in an appropriate entry inspection, shall be notified to the Vendor within [**] of detection, however not later than [**] after receipt of the respective shipment of the Products. The Vendor shall without undue delay replace nonconforming Products or make up the shortage as the case may be, at the expense of the Vendor, or, at the Vendor’s option, refund the price of such Products or give the Purchaser a credit equal to the price of such Products provided that the Purchaser has already paid for such Product. If so directed by the Vendor, the Purchaser shall at the Vendor’s expense return nonconforming Products to the Vendor’s manufacturing facilities, using such carrier and such delivery dates and terms as the Vendor may reasonably specify. In the event of a dispute between the parties regarding conformance to the Specifications, the Purchaser shall submit the Product to an independent third party laboratory (the “Laboratory”) to be mutually agreed upon by the Parties for testing. The Laboratory shall render its determination as arbitral expert (Schiedsgutachter) and the determination of the Laboratory shall be final and binding on the Parties. The Party against which the Laboratory rules shall bear the costs of the Laboratory.

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Section 3.3. Warranties and Claims.

(a) The Vendor warrants that at the time of delivery, the Product shall conform to the Specifications.

(b) Non-Infringement. The Vendor represents and warrants that to the best of its knowledge the Product does not infringe on any valid patent or other proprietary right of any Third Party.

(c) Warranty Disclaimer. The Vendor does not warrant merchantability or fitness of the Product for the use intended by the Purchaser.

(d) THIS WARRANTY IS THE ONLY WARRANTY BY VENDOR WITH RESPECT TO THE PRODUCTS. Vendor’s liability to Purchaser for any claim relating to defect Products shall be limited to (i) replacement or (ii) refund of the purchase price against return of shipped Products, at Purchaser’s option. Any Product claims related to instruments shall be limited to either, as Vendor may elect, (i) the replacement of defect parts, (ii) the replacement of the shipped Products or (iii) refund of the purchase price. Vendor shall not be liable for the replacement of (i) wear and tear parts, (ii) parts which have been contaminated with sample liquids or (iii) parts which are damaged due to mishandling.

(e) Any liability claims related to defect will be time-barred after [**] of the delivery by Vendor.

(f) The Vendor will not be liable for loss of profit or any other indirect or consequential damages to Purchaser, unless these damages were caused by gross negligence, willful misconduct of Vendor.

(g) Purchaser shall immediately notify Vendor of any claims under any of the foregoing warranties. Purchaser shall also immediately notify Vendor of any likelihood of a claim by a third party under any of the foregoing warranties. No adjustment, settlement or payment of such claim made by Purchaser to a third party, shall be binding on Vendor or obligate Vendor to compensate Purchaser for such adjustment, settlement or payment, unless final authorization thereto was given by Vendor or in case the Purchaser can prove that the claim by a third party is due to the non-conformity of the Product.

Section 3.4. Changes. The Vendor reserves the right to change the Specifications or manufacturing process of the Products or to replace the Products with improved products. The Vendor will notify the Purchaser [**] in writing in advance of any performance-relevant changes or improvements.

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Section 3.5. Right of Inspection. The Vendor shall allow [***] of the facilities associated with the manufacture of the Product as may be requested by Purchaser or Purchaser’s notified body and will use all reasonable efforts to permit and enable the notified body to have access, during normal business hours and with [***] advance notice, to the facilities and records of all agents and subcontractors retained by the Vendor for the purposes of this Agreement.

Notwithstanding the above, Vendor agrees to grant access to Purchaser’s notified body to all of its facilities associated with the manufacture of the Product (including documentation relating to component suppliers and subcontractors) for unannounced audit purposes, as the case may be. In such cases, Vendor shall grant access to Purchaser’s notified body during normal business hours.

Section 3.6. Infringement/Assistance in protecting Intellectual Property. Purchaser shall report to Vendor any infringement of the Trade-Marks, or imitation of the Trade-Marks and/or other Intellectual Property and/or the Products, of which it may become aware of, and shall assist Vendor in protecting its rights in and to the Trade-Marks and/or other Intellectual Property and/or the Products. This shall also apply if the Vendor requires Purchaser’s assistance in protecting its Intellectual Property rights or related interests for any other reasons. Assistance shall include, but not be limited to, the provision of information on sales volumes and marketing actions. Purchaser shall not initiate any protective action with respect to the Trade-Marks and/or other Intellectual Property and/or the Products without Vendor’s prior written authorization.

Section 3.7. Non-Disclosure.
(a) Vendor and Purchaser will not disclose to any third party any confidential information relating to each other’s business or methods of carrying on business or to technology related to the Products. Such confidential information (hereinafter to be referred to as “Information”) shall include, but shall not be limited to, processes, techniques, research, technology, pricing, cost data, know-how, memoranda, suppliers and customers of a party, which the other party knows or hereafter comes to know.

(b) Both Parties agree that its officers and employees will use the Information only for the purpose of conducting the business relationship between the Parties in the context of this Agreement and that the respective officers and employees shall also be obliged to maintain the Information in confidence.

(c) The preceding obligation to maintain the Information in confidence and the limitation upon the right to use the Information shall not apply to the extent that:

(i) the receiving party can establish that the Information disclosed pursuant hereto is already in its possession; or

(ii) the Information is or becomes in the future public knowledge through no fault or omission of receiving party;

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(iii) the Information is lawfully revealed by a third party having the right to disclose it and license its use; or
(iv) the Information is required to be disclosed by the receiving party to comply with applicable laws or governmental regulations, provided that the receiving party shall use reasonable efforts to provide prior written notice of such disclosure to the disclosing party and takes reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.

(d) The preceding obligations to maintain in confidence the Information received pursuant hereto shall terminate [**] after termination of this Agreement.

Section 3.8. Recalls.

In the event Purchaser believes a Recall may be necessary with respect to a Product, Purchaser shall immediately notify Vendor in writing within [**]. Vendor may at its sole discretion require Purchaser to take part in a recall, withdrawal, customer notification or correction action with respect to the products sold to Purchaser. In the event a Recall is requested by Vendor required by the directive or order of any governmental authority or court of competent jurisdiction, Purchaser shall strictly follow Vendor’s directions or the recalling authority’s instructions for conducting the Recall and for returning or destroying and certifying destruction of the recalled Products after completion of the Recall and will provide reasonable cooperation and assistance to Vendor in taking all other appropriate actions. If Purchaser declines to conduct such Recall, Vendor shall have the authority to conduct a Recall at Purchaser’s expense beginning immediately after providing notice to Purchaser. Purchaser shall inform Vendor in writing before initiating or conducting any Recall of a Product. In the event of a Recall, Purchaser shall, upon Vendor’s request, contact the Purchaser’s customers of the affected Product, assist in arranging for return shipment of the Product to Vendor, and distribute any required notifications. If Purchaser declines to conduct such Recall, Vendor shall have the authority to conduct a Recall at Purchaser’s expense beginning immediately after providing notice to Purchaser. Purchaser shall strictly follow Vendor’s directions or the recalling authority’s instructions for conducting the Recall and for returning or destroying and certifying destruction of the recalled Products after completion of the Recall and will provide reasonable cooperation and assistance to Vendor in taking all other appropriate actions. If Purchaser declines to conduct such Recall, Vendor shall have the authority to conduct a Recall at Purchaser’s expense beginning immediately after providing notice to Purchaser. Purchaser shall inform Vendor in writing before initiating or conducting any Recall of a Product. In the event of a Recall, Vendor shall, upon Vendor’s request, contact the Purchaser’s customers of the affected Product, assist in arranging for return shipment of the Product to Vendor, and distribute any required notifications. Vendor’s sole liability relating to a Recall is to replace Product that is recalled with conforming Product and will be responsible for all reasonable expenses incurred by the Purchaser in the Territory that are related to the Recall. Vendor shall be responsible for the expenses of the Recall unless such actions result from Purchaser’s negligence or willful misconduct, in which case the Purchaser shall be responsible for those expenses. For purposes of this Agreement, the expenses of the Recall will be the reasonable direct expenses of notification and return or destruction of the recalled Products, Vendor’s cost to replace or refund the price of the recalled Product and any costs directly associated with distribution of replacement Products. In all cases, the Purchaser shall conduct the Recall in a manner which is appropriate and reasonable under the circumstances and in conformity with accepted trade practices and applicable law. Purchaser shall deliver copies of all Recall-related records to Vendor within [**] of Purchaser receiving or preparing them.

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Section 3.9. Duration and notice of Termination. This Agreement shall enter into force at the Effective Date and shall continue for an initial period of three (3) years (“Initial Period”) and shall automatically extend for one additional two (2) years period followed by one (1) year periods, provided that neither party gives written notice of termination to the other at least [**] prior to expiration of the Initial Period or any subsequent period. This Section 3.9 does in no way abrogate the rights of either party to terminate this Agreement earlier under any of its other provisions. Vendor can demand payment in advance for orders which are placed by Purchaser after notice of termination has been given.

Section 3.10. Termination.

(a) Notwithstanding any other provisions of this Agreement, the Parties may terminate this Agreement immediately for cause. Such termination right will be constituted by, but not limited to the following cases:

(i) In the event that the supply of the Product hereunder should directly or indirectly result in the infringement of third party intellectual property rights, the affected Party shall be entitled to terminate this Agreement in its entirety on [**] notice unless the other Party remedies the infringement to the reasonable satisfaction of the terminating party (by canceling the relevant customer contract or otherwise) within such period.

(ii) An attempted assignment of this Agreement by a Party without the written consent of the other Party; or

(iii) The repeated failure of Purchaser to comply with its payment obligations set forth in Section 2.14 above; or

(iv) The repeated failure of Vendor to comply with the Specifications of Product; or

(v) The repeated failure of Vendor to deliver the Products within [**] as described in Section 2.10(d); or

(vi) The direct or indirect acquisition or Control of a Party by any party. “Control” shall mean possession of more than percent (50%) of the shares of voting stock or any other arrangement whereby a third party controls or has the right to control the board of directors or equivalent governing body of the Party; or

(vii) The breach of confidentiality obligations set forth in Section 3.7; or


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Either party may terminate this Agreement upon [*] notice to the other party in the event of any of the following:

(i) An assignment by the other party for the benefit of creditors; or

(ii) The admitted insolvency of the other party; or

(iii) The institution of voluntary or involuntary proceedings by or against the other party, in bankruptcy, insolvency, suspension of sales or operations, or for appointment of a receiver, or for the winding-up or dissolution or reorganization of the other party; or

(iv) The failure of the other party to perform or observe an obligation imposed by this Agreement, if such party fails to remedy such breach within [*] after it shall have been given written notice thereof.

(v) [*].

(vi) During any notice period pursuant to Section 3.9, irrespective of any payment terms agreed upon in this Agreement, Purchaser shall be able to place any orders of Products only in exchange for pre-payment of the according amounts.

Section 3.11. Non-Waiver. Failure of a party to terminate this Agreement following any breach hereof by the other Party shall not be deemed a waiver of the rights arising from such or any future breach.

Section 3.12. Effect of Termination. Upon termination of this Agreement:

(a) All indebtedness of Purchaser to Vendor will become due and payable, if not already due and payable, at the time of termination.

(b) The rights of each party against the other which may have accrued up to the date of such termination, and the provisions of Sections, 3.3, 3.7, 3.14.5, 4 and 5.2 of this Agreement shall remain in force after the termination of this Agreement.

(c) Neither party shall be liable to the other for damages, indemnities, or any other compensation whatsoever on account of termination for any reason given by this Agreement. This does, however, not preclude both Parties from collecting damages from each other which have been caused by the other party prior to termination.

(d) Purchaser shall return to Vendor all unused promotional or other materials relating to the sale of the Products.

(e) Any compensation claims of the Purchaser in connection with the termination of this Agreement are explicitly excluded.

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ARTICLE 4
PURCHASER REPRESENTATIONS AND WARRANTIES

Section 4.1. Indemnification by the Purchaser. The Purchaser will indemnify, hold harmless and defend (collectively, “Indemnify”) the Vendor, its Affiliates and their respective directors, stockholders, employees and agents (each an “Vendor Indemnitee”) against any and all losses, damages, liabilities, judgments, fines, amounts paid in settlement, expenses and costs of defense (including without limitation reasonable attorneys’ fees and witness fees) (“Losses”) resulting from any claim, action or proceeding brought or initiated by a third party (“Third Party Claim”) against Vendor Indemnitees to the extent that such Third Party Claim arises out of the use, marketing, sale or distribution of the Combined Products by the Purchaser, except if such Third Party Claim arises out of the breach of any representation or warranty by the Vendor about the Product, provided, that such indemnity shall only apply to the extent arising from the gross negligence or willful misconduct of any Vendor Indemnitee.

Indemnification by the Vendor. The Vendor will indemnify, hold harmless and defend (collectively, “Indemnify”) the Purchaser, its Affiliates and their respective directors, stockholders, employees and agents (each an “Purchaser Indemnitee”) against any and all losses, damages, liabilities, judgments, fines, amounts paid in settlement, expenses and costs of defense (including without limitation reasonable attorneys’ fees and witness fees) (“Losses”) resulting from any claim, action or proceeding brought or initiated by a third party (“Third Party Claim”) against Purchaser Indemnitees if such Third Party Claim arises out of the breach of any representation or warranty by the Purchaser about the Combined Product, provided, that such indemnity shall only apply to the extent arising from the gross negligence or willful misconduct of any Purchaser Indemnitee.

Section 4.2. Compliance with Law. The Parties agree to observe the rules and resolutions published by the United Nations, the US Government and the European Union regarding sanctions against individuals associated with terrorist organizations (in particular to observe the sanction lists published under:

www.un.org/Docs/sc/committees/1267/1267ListEng.htm; http://www.bis.doc.gov; and

http://ec.europa.eu/external_relations/cfsp/sanctions/consol-list_en.htm

Section 4.3. Compliance with Anti-Corruption Law.

Purchaser represents, covenants and warrants to Vendor that:

(a) Neither Purchaser nor any of its officers, directors, employees, agents or other representatives has performed or will perform any of the following acts in connection with this Agreement, any sale made or to be made hereunder, any compensation paid or to be paid hereunder, or any other transactions involving the

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business interests of Vendor: pay, offer or promise to pay, or authorize the payment of, any money, or give or promise to give, or authorize the giving of, any services or anything else of value, either directly or through a third party, to any Public Official for the purpose of (i) influencing any act or decision of that person in his official capacity, including a decision to fail to perform his official functions with such governmental agency or instrumentality or such public international organization or such political party, (ii) inducing such person to use his influence with such governmental agency or instrumentality or such public international organization or such political party to affect or influence any act or decision thereof or (iii) securing any improper advantage.

(b) Purchaser will promptly respond to requests by Vendor, or its authorized representatives, to provide additional information and/or complete additional training, as may be requested by Vendor from time to time.

(c) Neither Party nor any of its officers, directors, employees, agents or other representatives are currently a Public Official.

(d) Neither Party nor any of its officers, directors, employees, agents or other representatives Purchaser are currently associated with or owned by a Public Official.

(e) Neither Party nor any of its officers, directors, employees, agents or other representatives is, or has been, debarred, suspended or otherwise prohibited from transacting business with a government institution or been convicted of any crime involving fraud, conflict of interest, bribery or gratuity violations.

(f) The Parties have implemented effective disclosure procedures, controls and accounting systems to ensure compliance with applicable anti-corruptions laws, including, but not limited to, the FCPA.

(g) A Party will immediately notify the other Party of any changes to the foregoing or if it becomes aware of potential behaviour that violates any applicable law, including the FCPA.

ARTICLE 5
MISCELLANEOUS

Section 5.1. Notices. All notices shall be in writing addressed as follows, or to such other address as may be designated from time to time:

If to Vendor: QIAGEN GmbH
[*]
With a copy to: Legal Department

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If to the Purchaser: Sophia Genetics SA  
Rue du Centre 172  
CH-1025 Saint-Sulpice  
[**]  
[**]

With a copy to: Legal Team

Section 5.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Switzerland, without giving effect to the laws of conflict. The Convention on the International Sale of Goods shall not be applicable. The place of jurisdiction shall be Geneva, Switzerland.

Section 5.3. Entire Agreement. The terms and provisions contained in this Agreement constitute the entire agreement between the Parties and supersede all previous communications, representations, agreements and understandings, whether oral or written, between the Parties with respect to the subject matter hereof, and no agreement or understanding varying or extending this Agreement shall be binding upon either party unless in a writing wherein this Agreement is specifically referred to, and signed by the duly authorized representatives of the respective Parties.

Section 5.4. Headings. The headings of the articles in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

Section 5.5. Severability. Should any part of this Agreement for any reason be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity of the remaining portion, which remaining portion shall continue in full force and effect. In such case, the Parties agree that they will, in good faith, negotiate with one another to replace such invalid provision with a valid provision, as similar as possible to that which has been held to be invalid.

Both Parties are willing to adapt this Agreement to EC anti-trust law requirements. Therefore, Section 5.5 set forth above shall in particular apply if an adaptation is necessary due to changes in EC anti-trust law or in case of a change of the relevant market shares.

Section 5.6. Amendments. Any amendments, modifications or changes to this Agreement, including this clause, must be made in writing.

Section 5.7. Prevailing Language. This Agreement has been drawn up in the English Language. Each party may prepare a translation into its own native language. However, in case of inconsistencies between the English text and any of its translation, the English text will prevail.

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Section 5.8. Disputes.

(a) Duty to negotiate. The Parties will use their best efforts to amicably resolve any disputes between them arising out of or in connection with this Agreement, including disputes about its validity in whole or in part, by good faith negotiations.

(b) Arbitration. If the Parties shall fail to reach an amicable settlement such disputes shall, to the exclusion of the regular courts, be decided by an arbitration tribunal. This tribunal shall be constituted and proceed according to [**], as administered by [**]. These rules shall also govern the enforcement of any award, the compensation of the arbitrators, and any other matter connected with such arbitration proceeding.

Section 5.9. Force Majeure. If the performance of any obligation under this Agreement, other than payment obligations, is prevented or impaired for any cause beyond the reasonable control of the defaulting party, as governmental orders and requirements, labor or material shortages, strikes, riots, fire, flood, war and other acts of God, such party shall be excused from performance as long as such cause continues to prevent or impair performance, provided that the party claiming such excuse shall promptly notify the other party of the existence of such cause and shall at all times use its best efforts to resume and complete the performance.

Section 5.10. Assignment. This Agreement may not be assigned by either Party without the prior written consent of the other Party, provided that Vendor may assign or otherwise transfer this Agreement and its rights hereunder in part or in total to an Affiliate or in connection with the merger or joint venture of Vendor or a sale or other transfer of Vendor’s entire business or that part of Vendors’ business to which this Agreement relates, provided, in all such cases, that any such assignee or transferee has agreed in writing to be bound by the terms and provisions of this Agreement or is so bound by operation of law.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in two copies each of which shall be considered an original.

QIAGEN GmbH

By: /s/ Jakob Soroko
Name: Jakob Soroko
Title: Director, Legal Affairs EMEA

By: /s/ Damien Lapray
Name: Damien Lapray
Title: CCO

Sophia Genetics SA

By: /s/ [ILLEGIBLE]
Name: [ILLEGIBLE]
Title: [ILLEGIBLE]

By: /s/ Marylin Mermod
Name: Marylin Mermod
Title: COO

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SCHEDULE A
LIST OF PRODUCTS

The term “Products” (or “Product”) shall mean the following goods:

[*]

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SCHEDULE B

PRICE OF PRODUCTS

[**]

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AMENDMENT No. 1
TO THE SOPHIA GENETICS SA AGREEMENT
dated January 19, 2018
(the “Amendment”)
effective as of June 07, 2019 (the “Effective Date”)

BY and BETWEEN:

QIAGEN GmbH, a corporation organized under the laws of Germany having its principal office at [**] (“QIAGEN”), and

Sophia Genetics SA, Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland a corporation organized under the laws of the Switzerland (“Sophia Genetics SA”);

QIAGEN and Sophia Genetics SA are also referred to as “Party” or jointly as “Parties”.

WHEREAS, the Parties have entered into an agreement dated January 19, 2018 (the “Agreement”), according to which QIAGEN sells certain amplification technologies including library amplification kits for Next Generation Sequencing Technologies to Sophia Genetics SA for distribution as integral part of Sophia Genetics SA’s molecular biology products; and

WHEREAS, the Parties would now like to extend the scope of the Agreement to include further Goods on the terms set out herein.

NOW THEREFORE, the Parties agree as follows:

1.1. Section 1.4 of the Agreement shall be deleted in its entirety and replaced as follows:

Purchaser Product The term “Purchaser Product” shall mean Sophia Genetics’ bundle solutions, combining capture-based next-generation sequencing assays with SOPHiA™ artificial intelligence to enable superior detection of genomic variants. The Purchaser Product will, in addition to the Products, contain components that are manufactured by a third party.

1.2. Schedule A of the Agreement shall be deleted and replaced in its entirety by the Schedule A as attached to this Amendment.

1.3. Schedule B of the Agreement shall be deleted and replaced in its entirety by the Schedule B as attached to this Amendment.
1.4. **Schedule C** of the Agreement shall be deleted and replaced in its entirety by the **Schedule C** as attached to this Amendment.

1.5. **Schedule D** of the Agreement shall be deleted and replaced in its entirety by the **Schedule D** as attached to this Amendment.

1.6. **Schedule E** of the Agreement shall be deleted and replaced in its entirety by the **Schedule E** as attached to this Amendment.

2. All other provisions of the Agreement shall remain unaltered and in force. Definitions in this Amendment shall have the same meaning as in the Agreement unless expressly stated otherwise in this Amendment.

3. **MISCELLANEOUS**

3.1. Any provision of the Amendment (including this Section 3) may be amended or waived only if such amendment or waiver is by written instrument executed by each Party and explicitly refers to this Amendment.

3.2. Should any provision of this Amendment, or any provision incorporated into this Amendment in the future, be or become invalid or unenforceable, the validity or enforceability of the other provisions of this Amendment shall not be affected thereby. The Parties hereby agree to substitute the invalid or unenforceable provision by a suitable and equitable provision which, to the extent legally permissible, comes as close as possible to the intent and purpose of the invalid or unenforceable provision. The same shall apply: (i) if the Parties have, unintentionally, failed to address a certain matter in this Amendment; in this case a suitable and equitable provision shall be deemed to have been agreed upon which comes as close as possible to what the Parties, in the light of the intent and purpose of this Amendment, would have agreed upon if they had considered the matter; or (ii) if any provision of this Amendment is invalid because of the scope of any time period or performance stipulated herein; in this case the Parties hereby agree to substitute the time period or performance by that which is legally permissible and comes as close as possible to the stipulated time period or performance. For the avoidance of doubt, any period of limitation shall not be prolonged by sentence 3.

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In Witness Whereof, the Parties have caused this Amendment to be executed by their duly authorized representatives.

QIAGEN GmbH

By: /s/ [ILLEGIBLE]
Name:
Title: Senior Director Legal Affairs
EMEA

Sophia Genetics SA

By: /s/ Damien Lapray
Name: Damien Lapray
Title: CCO

By: /s/ Valentin Matillon
Name: Valentin Matillon
Title: CFO

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SCHEDULE A:
LIST OF PRODUCTS

The term “Products” (or “Product”) shall mean the following goods:

[**]

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SUPPLY AGREEMENT
(the “Agreement”)

Agreement made as of November 12th, 2019 (“Effective Date”)

Between

TWIST BIOSCIENCE CORPORATION, a company constituted under the laws of the State of Delaware, USA, having a place of business at [**] (hereinafter to be referred to as the “Twist”),

and

SOPHiA GENETICS SA, a company constituted under the laws of Switzerland, having a place of business at Rue du Centre 172, CH-1025 Saint-Sulpice, Switzerland (hereinafter to be referred to as the “SOPHiA”).

(hereinafter collectively referred to as the “Parties” or individually as a “Party”)

WHEREAS Twist develops and commercializes DNA products including but not limited to target enrichment and library construction reagent sets;

WHEREAS SOPHiA wishes to purchase from Twist certain products as defined herein for distribution in combination with SOPHiA’s product and Twist is willing to supply and sell the same to SOPHiA on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the Parties hereby agree as follows:

1. DEFINITIONS

In this Agreement, each of the terms listed below has the following meaning:

1.1. “Affiliate” shall mean, with respect to a Party, any corporation, partnership or other business organization which such Party directly or indirectly controls or any company by which such Party is controlled by or is under common control with or any organization the majority ownership of which is directly or indirectly common to the majority ownership of such Party hereto for so long as such control exists. For the purpose of this Agreement “control” shall mean the holding of 50% (fifty percent) or more of the voting stock or other ownership interests of the corporation or business entity involved.
1.2. “Calendar Year” shall mean a period from January 1st until December 31st of each year.

1.3. “Products” (or “Product”) shall mean the goods of Twist as listed in Schedule A of this Agreement.

1.4. “SOPHiA Product” shall mean SOPHiA GENETICS’ bundle solutions, combining capture-based next-generation sequencing assays with SOPHiATM artificial intelligence to enable superior detection of genomic variants.

1.5. “Combined Product” shall mean the meaning set forth in Section 2.1.

1.6. “Denied Transaction” shall have the meaning as set forth in Section 2.3.

1.7. “Effective Date” shall mean the date first written above.

1.8. “End User” shall mean any person or entity receiving, possessing, reselling, distributing or using Products or Combined Products, other than SOPHiA or Twist.


1.10. “Public Official” shall mean official or employee of any governmental authority or instrumentality, or of a public international organization, or of any agency or subdivision thereof, or to any political party or official thereof or to any candidate for political office.

1.11. “Forecast” shall have the meaning set forth in Section 2.10.

1.12. “Recall” shall mean a recall, safety alert, stock recovery, product withdrawal, field correction or other similar corrective action with respect to a Product under applicable law.

1.13. “Specifications” shall mean the specifications described in Schedule C to this Agreement.

1.14. “Technical Documentation” shall mean the most recent versions of the following documents: Instructions for Use (IFUs), Customer Notifications, Safety Data Sheets (SDS/MSDS), Certificates of Analysis, Certificates of Compliance.

1.15. “Territory” shall mean the territories of the following countries: worldwide.

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1.16. “Trade-Marks” shall mean the trademarks, trade names, and marks used by a Party during the term of this Agreement.

2. DISTRIBUTION

2.1. Distribution Right. Twist hereby grants SOPHiA during the term of this Agreement the right to resell the Product solely in conjunction and/or repackaged with SOPHiA Product as described in Schedule C ("Combined Product") in the Territory. The distribution right under this Section 2.1 is limited to the sale of Combined Product to end-users and SOPHiA’s sub-distributors and shall not include sales to third parties with the intention to use the Combined Product for Denied Transactions.

2.2. Resale. SOPHiA will resell the Product only in conjunction and/or repackaged with SOPHiA Product as described in Schedule C as Combined Product. In no case will SOPHiA resell the Product as stand-alone item or single items of the Product only, unless SOPHiA obtains Twist’s prior written consent on a case-by-case basis, which may include for product replacements, quality control, and any other special circumstance that requires stand-alone product. SOPHiA shall not provide, sell or distribute Combined Products to or through third parties who are not SOPHiA’s sub-distributors or the end-users of such Combined Products, unless SOPHiA obtains Twist’s prior written consent on a case-by-case basis (and in such case, additional terms and conditions may apply). Furthermore, SOPHiA may not provide, sell or distribute Combined Products to anyone listed on Schedule E attached hereto (and incorporated herein by reference) as a restricted customer or otherwise as someone to whom SOPHiA may not distribute Combined Products. Furthermore, SOPHiA: (i) shall not, and require that its sub-distributors shall not, provide, sell or distribute Combined Products to End Users in the restricted countries listed in Section 1 of Schedule F; and (ii) shall, and shall require that its sub-distributors proceed with caution by conducting reasonable due diligence when providing, selling or distributing Combined Products to End Users in the countries listed in Section 2 of Schedule F. For purposes of this Agreement, any person or entity receiving, possessing, reselling, distributing or using Products or Combined Products, other than SOPHiA or Twist, shall be an “End User” hereunder.

2.3. Compliance

2.3.1. The Parties shall comply with all applicable customs and export control regulations. In particular, without limitation, SOPHiA shall refrain from any transactions in relation to the goods delivered by Twist which would violate any sanctions, embargoes or foreign trade restrictions issued by European Community, Switzerland or the United States of America or any other applicable national export law (referred to as “Denied Transaction”).

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2.3.2. The Parties are also responsible for compliance with all other laws and regulations, regulatory requirements, guidelines and decisions of judicial or regulatory bodies which may apply to them in the course of producing or distributing the Products.

2.4. **Regulatory Approval of Product.** Twist provides the Product for research use only and SOPHiA and End Users shall not use the Products for any other purposes. The Products have not been approved, cleared, authorized or licensed by the United States Food and Drug Administration ("FDA") or any other applicable governmental agency, within or outside the United States, for any use. SOPHiA and End Users shall not use any Product in humans to treat or diagnose any condition nor for any other diagnostic or therapeutic purposes, unless SOPHiA and/or the End User (as applicable) obtains any regulatory approval that may be required for such uses (e.g. CE mark under IVDD requirements, FDA or equivalent). In any event, SOPHiA and End Users shall use all Products in accordance with applicable laws, rules, regulations and governmental policies and in accordance with the terms and conditions of this Agreement. Twist will not be responsible or liable for any losses, damages, costs, expenses, or any other forms of liability arising out of the use of the Products and/or Combined Products. Except for SOPHiA’s distribution and sale of Products in accordance with this Agreement, SOPHiA and End Users shall not sell, resell, transfer or distribute any Products to any third party. SOPHiA and End Users also agree not to (and not to authorize or permit others to) reverse engineer, deconstruct or disassemble any Products.

2.5. **Regulatory Approval of Combined Product.** SOPHiA shall be the legal manufacturer of the Combined Product and shall be solely responsible for obtaining any regulatory approval that may be required.

2.6. **Technical Documentation.** Twist shall provide the Technical Documentation which is up-to-date and to provide the latest versions to SOPHiA in English.

2.7. **Labeling.** Twist labeling of the Product at the time of shipment to SOPHiA shall refer to Twist as the legal manufacturer. Twist represents to its actual knowledge that at the time of shipment to SOPHiA the labelling of the Product complies in all aspects with regulatory requirements applicable throughout the Territory. Without limitation to the foregoing, the labelling shall specify that the Products is for research use only. SOPHiA is responsible for confirming labeling of products used in combination with Products or shipped with other materials, goods, or non-Twist products so that SOPHiA complies with any and all applicable laws and regulations, as well as the research use only limitation on Products.

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2.8. **Promotional Materials.** SOPHiA shall be responsible for the preparation of sales literature, advertising, and promotional materials. The Product shall bear Twist’s branding, provided that SOPHiA may add the indication “Powered by SOPHiA” on such material. However, SOPHiA may not (i) materially modify, change, decompile, transfer, or reverse engineer the Product, (ii) repackage or rebrand the Products with another company’s name, except for SOPHiA's Affiliates. SOPHiA shall provide all promotional and marketing materials regarding Products and which contain, include or refer to Twist, Twist’s logo or Twist’s branding, to Twist and obtain its prior written approval.

2.9. **End User Technical Support.** Subject to the terms of this Agreement, SOPHiA shall train its personnel and establish product information database such that SOPHiA can perform the technical support to End Users. To that effect, Twist shall make available all training material it has at its disposal with respect to the Products. The primary point of contact for the purposes of any technical support to SOPHiA at Twist’s technical support shall be [**].

2.10. **Product Supply**

2.10.1. Twist shall use commercially best efforts to manufacture and deliver those quantities of the Product ordered by SOPHiA in accordance with this Agreement.

2.10.2. SOPHiA shall provide Twist within [**] from the Effective Date, and thereafter on a [**] basis by the [**] day of the [**], with a non-binding good faith six (6)-months’ rolling written forecast, setting out SOPHiA’s desired quantities of the Product in monthly increments (the “Forecast”).

2.10.3. SOPHiA may issue a purchase order to Twist in accordance with the terms of this Agreement detailing the Products it wishes to order, and which shall contain the purchase order number, the Product catalogue number, name and quantity and total purchase price of the Product in United States Dollars (USD) as per Schedule B (“Purchase Order”). Each Purchase Order [**] and such other requirements as may be further described in Schedule B. Any volume discount for Products shall be set forth in Schedule B and resets each year on the anniversary of the Effective Date. A Purchase Order shall become an “Order” under this Agreement that may be accepted by Twist. Once an Order is accepted by Twist, SOPHiA may not cancel such Order. No additional terms contained in any Purchase Order, invoice or other ordering document, or correspondence shall bind either Party or be construed to modify or amend the terms of this Agreement. In the event of any conflict, the Agreement, shall control and take precedence, followed by the Purchase Order, in that order.

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2.10.4. In the event that, despite using commercially best efforts, Twist determines that it has failed to make the Products, Twist will notify SOPHiA thereof and the corresponding Order shall thereupon be cancelled. Twist may also cancel any Order if Twist determines (in its reasonable discretion) a founded need to do so for patent infringement or export restrictions and/or feasibility reasons. [*]. Notwithstanding anything to the contrary, nothing in this Agreement shall limit or restrict Twist’s right and ability at all times to provide, sell, supply or distribute products and services to third parties which are similar or identical to the Products or services made, provided or supplied under this Agreement, provided it does not use SOPHiA’s Background IP (as defined hereinafter) in doing so.

2.10.5. Twist shall deliver the Products by the target delivery date specified in the Order (which in any event shall not be less than [*] after acceptance of such Order), subject to availability of capacity and adequate lead times. [*].

2.11. Price and Terms of Payment

2.11.1. The Products will be invoiced to SOPHiA at the prices including volume discounts shown in Schedule B.

2.11.2. All prices are understood to be FCA Twist’s facility (Incoterms 2010). All shipment costs will be borne by SOPHiA per pricelist shown in Schedule D. Except as otherwise stated in the Order, Twist may ship all Products using the means and carrier of its choice. Twist may deliver Orders in installments, only if so agreed upon with SOPHiA (permission not to be unreasonably withheld), in which case Twist will send a separate invoice for each delivery. Twist does not clear Products for import into SOPHiA’s country if outside the U.S., which is SOPHiA’s sole responsibility.

2.11.3. All prices are exclusive of VAT and other taxes imposed by any government authority. SOPHiA will be responsible for the payment of, and shall pay all, taxes and duties imposed on it with respect to the Products supplied (and any other performance by Twist). However, SOPHiA shall not be liable for income taxes or similar imposed by authorities on Twist.

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2.11.4. Prices indicated in Schedule B shall not be subject to change. [**].

2.11.5. Each payment by SOPHiA is to be made in United States Dollars (USD), on the dates or occasions specified in the Order, or if not so specified in the Order, within [**] of the date of issuance of the invoice. Any late payments will bear a default interest of [**] per month. Further, Twist shall be entitled to [**]. If Twist appoints a collection agency or an attorney to recover any unpaid amounts from SOPHiA, Twist may charge SOPHiA and SOPHiA agrees to pay all reasonable costs of collection, including all associated reasonable attorneys’ fees. Payments shall be addressed to and sent via the means specified in the Agreement or the Order or otherwise as designated in writing by Twist.

3. SOPHIA SEQUENCES, MATERIALS, RESTRICTIONS AND RESPONSIBILITIES

3.1. SOPHiA Representations. SOPHiA represents and warrants that: (a) SOPHiA has all rights, licenses, consents and permissions required to provide the Sequence Information to Twist and for Twist to use such Sequence Information to make and supply the Products and otherwise perform under this Agreement and the applicable Order; (b) SOPHiA has the right to have the Sequence Information synthesized and made by Twist hereunder; and (c) Twist’s possession and use of the Sequence Information and any Product that SOPHiA orders under and in accordance with this Agreement and the applicable Order shall not violate any applicable laws or SOPHiA agreement, or infringe or misappropriate the intellectual property rights of any third party. At the request of SOPHiA, and only if required to do so by applicable law or regulation, Twist agrees to enter into one or more agreements governing the processing and/or transfer of data in order to comply with requirements of applicable laws and regulations, such as the EU General Data Protection Regulation, the Swiss and the Swiss General Act on Data Protection, and the US HIPAA Security and Privacy Rules. For avoidance of doubt, SOPHiA will not be sharing any protected health information (“PHI”, as defined under HIPAA) at any point with Twist related to this Agreement or any Order.

3.2. Parties’ Responsibilities. Neither party shall enter into any other legally binding obligations on behalf of the other party, or make any misrepresentations or false or misleading statements, comments, or materials regarding the other party or its business. In addition to and without limiting the foregoing, each party will perform those tasks and fulfill those responsibilities specified in this Agreement.

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3.3. End User. Prior to any provision, sale or distribution of any Product to an End User, SOPHiA shall ensure such End User has agreed in writing to be bound by terms and conditions consistent with the applicable terms and conditions of this Agreement (including but not limited to those terms set forth in Section 2.4, 3.1, 3.2, 3.3, 4.3, 4.5, 5.1, and 5.3). SOPHiA shall be solely responsible and liable for End User’s compliance with SOPHiA’s General Terms and Conditions. SOPHiA shall notify Twist promptly if SOPHiA becomes aware of any breach by an End User of any material provision of this Agreement. SOPHiA shall be solely responsible and liable for End User interactions and support, and any issues or problems raised by End User or End User’s use of any Products (and Twist shall have no obligations or liability with respect to any of the foregoing). Twist’s obligations shall be limited solely and directly to SOPHiA as set forth in this Agreement.

4. GENERAL PROVISIONS

4.1. Certificate of Analysis. Twist shall send an electronic copy of a Certificate of Analysis with each lot of Product delivered for custom Products. No special testing shall be required for the Product. An example of the Certificate of Analysis is enclosed in Schedule C.

4.2. Entry Inspection. In the event that the delivered Product fails to comply with the Specifications described in Schedule C at the time of its receipt by SOPHiA or in the event that any delivered quantity of Product falls short of the ordered quantity by more than [**] (or such other percentage specified in the applicable Quotation) (except where any of the foregoing are due to causes occurring during or after shipment), SOPHiA shall notify Twist in writing within a period of [**] of receipt of such Products. Hidden defects, such as but not limited to functional underperformance or unusual product decay over time, which could not be detected in an appropriate entry inspection, shall be notified to Twist within [**] of SOPHiA becoming aware of such event, however not later than [**] after receipt of the respective shipment of the Products. If SOPHiA does not notify Twist of such non-compliance or shortfall within such applicable time period, such Products will be deemed accepted and fully conforming and complaint for purposes of this Agreement. If SOPHiA timely notifies Twist, [**]. Claims for non-conforming Products and remedies therefore shall only be directly to SOPHiA and such claims may not be made by End Users nor shall End Users have any rights or remedies with respect thereto. The foregoing shall be SOPHiA's sole and exclusive remedy, and Twist’s sole and exclusive liability, for any failure of Products to conform to the Specifications, Order (including without limitation to any Sequence Submission or Quotation) or otherwise be satisfactory. If so directed by Twist, SOPHiA shall, at Twist’s expense, return nonconforming Products to Twist’s manufacturing facilities, using such carrier and such delivery dates and terms as Twist may reasonably

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specify within [**]. In the event of a dispute between the Parties regarding conformance to the Specifications, Twist may submit the Product to an independent third party laboratory (the “Laboratory”) to be mutually agreed upon by the Parties for testing. The Laboratory shall render its determination as arbitral expert and the determination of the Laboratory shall be final and binding on the Parties. The Party against which the Laboratory rules shall bear the costs of the Laboratory. If such Laboratory determines that the Products conformed to the Order, Twist shall have no obligation to provide replacement Products.

4.3. Warranties and Claims

4.3.1. Limited Product Warranty. Except as explicitly stated in this Agreement and Section 4.2, Twist warrants that at the time of delivery and for a duration of [**] following such delivery, the Products listed in Schedule A shall conform to the Specifications and shall be merchantable per Twist certificate of analysis. This warranty is expressly made contingent upon proper use of Products in the application for which they were intended in accordance with any instructions for use included with the Product. Twist shall not be liable for any of the foregoing with respect to any product labeling provided or used by SOPHiA or for any noncompliance with the foregoing due to the handling, packaging, or installing of Product by SOPHiA in a manner inconsistent with Twist’s instructions. Twist warrants to SOPHiA (a) to have good title to the Products supplied under this Agreement, (b) Twist is responsible for its own Twist Manufacturing Technology as incorporated into the Products supplied under this Agreement pursuant to Section 4.3.3 and (c) Products supplied under this Agreement listed in Schedule A will comply with the applicable specifications agreed for them per a Twist certificate of analysis and detailed in a Sequence Submission (subject to Section 4.2) and be supplied with a manufacturer’s shelf life of a period of [**] from delivery to SOPHiA in accordance with sub-paragraph 4.2.1, and (b) the Technical Documentation is up-to-date. The aforementioned is conditioned upon SOPHiA designating one (1) SOPHiA ordering personnel and coordinator at SOPHiA offices who must proactively run a query with Twist’s Supply Chain department prior to each applicable request and order to confirm in writing with Twist the feasibility of a particular shipment shelf life or limited warranty (for avoidance of doubt, this shall not apply to orders retroactively, those placed via eCommerce, or those requested after-the-fact of an Order being placed with Twist or its personnel).

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Twist will make reasonable, good faith efforts to complete (as a target date) within [**] where this Agreement is in force stability testing. Upon successful completion (as determined in good faith by Twist) of stability testing during that period, Twist shall offer [**] for Schedule A Products through an amendment or new agreement mutually agreed to by the parties.

Regardless, SOPHiA can terminate this Agreement pursuant to Section 4.8.1 if Twist is unable to provide a [**] after such future stability testing.

4.3.2. **Warranty Disclaimer.** EXCEPT AS EXPLICITLY SET FORTH IN THIS AGREEMENT, TWIST MAKES NO, AND HEREBY DISCLAIMS ALL, REPRESENTATIONS AND WARRANTIES OF ANY KIND NOT EXPRESSLY PROVIDED IN THIS AGREEMENT, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR ANY OTHER SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, FITNESS FOR A PARTICULAR PURPOSE (INCLUDING FOR THE USE INTENDED BY SOPHiA) AND NON-INFRINGEMENT AS WELL AS WARRANTIES REGARDING SECURITY, RESULTS OBTAINED THROUGH THE USE OF ANY PRODUCT AND ANY WARRANTY ARISING FROM A STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF PERFORMANCE, DEALING OR USAGE OF TRADE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED.

4.3.3. Should any Twist Manufacturing Technology incorporated into any Product (if any) become, or is reasonably likely to become, the subject of a Third Party Claim (as defined below) of infringement, Twist may opt for one of the following options (at its entire discretion): [**]. Nothing contained herein shall limit Twist’s indemnification obligations in accordance with subsection 5.2.

4.3.4. Twist will not be liable for loss of profit or any other indirect or consequential damages to SOPHiA, unless these damages were caused by gross negligence or wilful misconduct of Twist.

4.3.5. **Limitation of Damages.** EXCEPT FOR DAMAGES FOR BREACH OF THE OBLIGATIONS UNDER SECTION 2.4 AND SECTION 5, OR SOPHiA’S OR ITS CUSTOMERS’ BIOSECURITY OBLIGATIONS OR LIMITATIONS ON PRODUCT USE, OR SOPHiA’S BREACH OF THIS AGREEMENT OR APPLICABLE LAW, NEITHER PARTY WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, GROSS NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY FOR (I) ANY INCIDENTAL, SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOST DATA, TWIST SHALL HAVE NO LIABILITY FOR ANY FAILURE OR DELAY DUE TO MATTERS BEYOND ITS REASONABLE CONTROL. NOTHING CONTAINED HEREIN SHALL LIMIT A PARTY’S LIABILITY IN CASE OF GROSS NEGLIGENCE OR WILFUL MISCONDUCT.

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4.4. Infringement/Assistance in Protecting Intellectual Property. A Party shall report to the other Party any infringement of the Trade-Marks, or imitation of the Trade-Marks, with respect to the Products, of which it may become aware of.

4.5. Non-Disclosure and Non-Use

4.5.1. Twist and SOPHiA will not disclose to any third party or use for any purpose (other than to perform its obligations or exercise its rights under this Agreement) any confidential information relating to the other party’s business or methods of carrying on business or to technology related to the Products. Such confidential information (hereinafter to be referred to as “Information”) shall include, but shall not be limited to, processes, techniques, research, technology, pricing, cost data, know-how, trade secrets, memoranda, and supplier and customer lists provided by the disclosing party. For clarity, the Sequence Information shall be Information of SOPHiA, Twist Manufacturing Technology shall be the Information of Twist, and this Agreement and any other aspects of an Order shall be the Information of both Parties.

4.5.2. Both Parties agree to only disclose Information of the disclosing Party to its officers, directors, consultants, and employees with a need to know such Information only for the purpose of conducting the business relationship between the Parties in the context of this Agreement and who are obliged to maintain the Information in confidence under obligations at least as protective as those contained herein.

4.5.3. The preceding obligation to maintain the Information in confidence and the limitation upon the right to use the Information shall not apply to the extent that:

   a. the receiving Party can establish that the Information disclosed pursuant hereto is already in its possession; or
   b. the Information is or becomes in the future public knowledge through no fault or omission of receiving Party;

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c. the Information is lawfully revealed to receiving Party on a non-confidential basis by a third party having the right to disclose it and license its use;

d. is independently developed by receiving Party without use of or reference to the Information of disclosing Party; or

e. the Information is required to be disclosed by the receiving Party to comply with applicable laws or governmental regulations, provided that (i) the receiving Party shall use reasonable efforts to provide prior written notice of such disclosure to the disclosing Party and takes reasonable and lawful actions upon request to avoid and/or minimize the extent of such disclosure and (ii) any Information so disclosed shall maintain its confidentiality protection for all purposes other than such legally required disclosure.

4.5.4. Each Party may disclose the terms of this Agreement or any Order, without the consent of the other Party, to existing or prospective investors, acquirers, partners, collaborators, licensees, contractors, and to such Party’s accountants, attorneys and other professional advisors; in each case on a need-to-know basis and subject to confidentiality restrictions at least as protective as those contained herein.

4.5.5. Upon termination or expiration of the Agreement, or upon written request of the disclosing Party, the receiving Party shall promptly return or destroy all documents, notes and other tangible materials representing the disclosing Party's Information and all copies thereof (excluding any Information that is subject to a surviving license granted to the receiving Party hereunder); provided, however, that the receiving Party may retain a copy of such Information for legal archival purposes and for compliance with the surviving provisions of this Agreement and applicable laws and regulations, provided that such copy remains subject to the confidentiality obligations of this provision.

4.5.6. The preceding obligations to maintain in confidence and restrictions on use of the Information received pursuant hereto shall terminate [**] after expiration or termination of this Agreement.

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Intellectual Property.

4.6.1. Any patents, copyrights, trademarks, trade secrets and other intellectual property rights already owned or controlled by a Party prior to entering into this Agreement or developed by a Party outside the scope of this Agreement shall be owned by the Party who developed, owned, or controlled it (the “Background Intellectual Property”). SOPHiA’s Background Intellectual Property includes, without limitation, SOPHiA submitted Sequence Information, its trade secrets, know-how, methods, protocols, procedures, algorithms, inventions, software, document, materials, work of authorship, technologies, copyrights and Trademarks. Twist’s Background Intellectual Property includes Twist’s methods, protocols, procedures, algorithms, inventions, software, documents, vectors, plasmids, materials, works of authorship and other technologies (and any improvements thereto) used or practiced in connection with gene or DNA synthesis, assembly and manufacturing, whether or not developed, created or improved in connection with Twist’s performance under this Agreement (collectively, “Twist Manufacturing Technology”). Nothing contained herein shall be construed as transferring Background Intellectual Property from a Party to another, except to the extent expressly provided for in this Agreement.

4.6.2. In the event Twist incorporates any Twist Manufacturing Technology into any Products shipped to SOPHiA and duly paid for by SOPHiA, Twist will grant and does hereby grant to SOPHiA (and any End User receiving such Products directly from SOPHiA or in accordance with this Agreement) a perpetual, non-exclusive, fully paid-up worldwide license to use such Twist Manufacturing Technology incorporated into such Products, solely as incorporated into and solely as necessary to use such Products, subject to the terms and conditions of this Agreement. SOPHiA shall have no other rights, assignments or licenses to Twist Manufacturing Technology other than what is provided in this subsection 4.6.2.

4.6.3. For the purpose of clarity, subject to Sections 2.8 and 4.7.1, any marketing material created solely by SOPHiA for the Products in accordance with this Agreement shall be owned exclusively by SOPHiA.

4.6.4. It is not anticipated that SOPHiA or End Users will be providing any suggestions, feedback, recommendations, improvement ideas or input regarding Twist Manufacturing Technology (“Suggestions”). In the unlikely event that SOPHiA and/or End Users provide any such Suggestions to Twist, SOPHiA and/or End User hereby grants to Twist a worldwide, royalty-free, fully paid-up, non-exclusive, fully sublicensable, irrevocable, perpetual license to use, make, have made, reproduce, offer to sell, sell, publicly perform, publicly display, adapt, modify, create derivative works of, distribute, import, and otherwise exploit the Suggestions. The foregoing license will survive any termination or expiration of this Agreement.

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4.6.5. **Recalls.** In the event SOPHiA believes a Recall may be necessary with respect to a Product, SOPHiA shall immediately notify Twist in writing within [**]. In the event a Recall is requested by Twist required by the directive or order of any governmental authority or court of competent jurisdiction, SOPHiA shall follow Twist’s directions or the recalling authority’s instructions for conducting the Recall and for returning or destroying and confirming destruction of the recalled Products after completion of the Recall. In the event of a Recall, SOPHiA shall, upon Twist’s request, contact SOPHiA’s customers of the affected Product, assist in arranging for return shipment of the Product to Twist, and distribute any required notifications. Any reasonable expense incurred by SOPHiA on behalf of Twist for a Recall shall be documented by SOPHiA and borne by Twist. If a Recall results from SOPHiA’s negligence or willful misconduct, SOPHiA shall be responsible for those expenses of such Recall. In all cases, the Parties shall conduct the Recall in a manner which is appropriate and reasonable under the circumstances and in conformity with accepted trade practices and applicable law. SOPHiA shall deliver copies of all Recall-related records to Twist promptly (and no later than one (1) month of SOPHiA receiving or preparing them).

4.6.6. **Duration and Notice of Termination.** This Agreement shall enter into force at the Effective Date and shall continue for an initial period of three (3) years ("Initial Period") and shall automatically extend for successive one (1) year periods, provided that neither Party gives written notice of termination to the other [**]. This Section 4.7 does in no way abrogate the rights of either Party to terminate this Agreement earlier under any of its other provisions. Twist can demand payment in advance for orders which are requested by SOPHiA after notice of termination has been given but prior to expiration of this Agreement.

4.7. **Termination**

4.7.1. Notwithstanding any other provisions of this Agreement, either Party may terminate this Agreement with or without cause effective upon [**] prior written notice to the other Party.

4.7.2. Either Party may terminate this Agreement upon [**] notice to the other Party in the event of any of the following:
   a. An assignment by the other Party for the benefit of creditors; or
   b. The admitted insolvency of the other Party; or

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c. The institution of voluntary or involuntary proceedings by or against the other Party, in bankruptcy, insolvency, suspension of sales or operations, or for appointment of a receiver, or for the winding-up or dissolution or reorganization of the other Party; or

d. The material breach by the other Party of this Agreement, if such other Party fails to remedy such material breach within [**] after it shall have been given written notice thereof.

e. [**].

4.7.3. During any notice period pursuant to Section 4.9, SOPHiA shall be able to request any orders of Products in accordance with this Agreement only in exchange for pre-payment of the according amounts.

4.8. **Non-Waiver.** Failure of a Party to terminate this Agreement following any breach hereof by the other Party shall not be deemed a waiver of the rights arising from such or any future breach.

4.9. **Effect of Termination.** Upon termination of this Agreement:

4.9.1. All indebtedness of SOPHiA to Twist will become due and payable, if not already due and payable, at the time of termination.

4.9.2. The rights of each Party against the other which may have accrued up to the date of such termination, and the provisions of Sections 2.4, 4.2.1, 4.2.2, 4.2.4, 4.2.5, 4.3-4.8, 4.11, 5.1-5.3, and 6 of this Agreement shall remain in force after the termination of this Agreement.

4.9.3. The Parties are not precluded from seeking damages from each other which have been caused by the other Party prior to termination.

4.9.4. Notwithstanding the above, SOPHiA will have the right to commercialize the remaining Products it has in stock under the terms of this Agreement after its termination as if it were still valid for a period of [**] following its termination if termination was not due to alleged or actual contract breach or misconduct by SOPHiA or its Customers.

5. **INDEMNIFICATION AND COMPLIANCE**

5.1. **Indemnification by SOPHiA.** SOPHiA will indemnify, hold harmless and defend (collectively, “**Indemnify**”) Twist, its Affiliates and their respective directors, stockholders, employees and agents (each an “**Twist Indemnitee**”) against any and all losses, damages, liabilities, judgments,
fines, amounts paid in settlement, expenses and costs of defense (including without limitation reasonable attorneys’ fees and witness fees) (“Losses”) resulting from any claim, action or proceeding brought or initiated by a third party (“Third Party Claim”) against Twist Indemnites to the extent that such Third Party Claim arises out of: (i) the use, marketing, sale or distribution of the Products or Combined Products; (ii) the gross negligence, recklessness or willful misconduct of any SOPHiA Indemnitee; (iii) the infringement of any third party intellectual property rights arising from the use of any Sequence Information to manufacture and supply the Products in accordance with this Agreement; (iv) any End User, or any claims or disputes by any End User, or any failure of an End User to comply with the applicable terms and conditions of this Agreement, that is not caused by Twist’s own actions or omissions; or (v) SOPHiA’s breach of its obligations, warranties or representations under this Agreement; except to the extent such Third Party Claim arises out of any matter for which Twist is obligated to Indemnify pursuant to Section 5.2 below.

5.2. Indemnification by Twist. Twist will indemnify, hold harmless and defend (collectively, “Indemnify”) SOPHiA, its Affiliates and their respective directors, stockholders, employees and agents (each an “SOPHiA Indemnitee”) against any and all losses, damages, liabilities, judgments, fines, amounts paid in settlement, expenses and costs of defense (including without limitation reasonable attorneys’ fees and witness fees) (“Losses”) resulting from any claim, action or proceeding brought or initiated by a third party (“Third Party Claim”) against SOPHiA Indemnitees if such Third Party Claim arises out of: (i) the gross negligence, recklessness or willful misconduct of any Twist Indemnitee; (ii) Twist’s breach of its obligations, warranties, or representations under this Agreement; or (iii) the infringement of any third party intellectual property rights by Twist’s use of Twist Manufacturing Technology to manufacture the Products, provided, that such indemnity shall not apply to the extent arising from any matter for which SOPHiA is obligated to Indemnify pursuant to Section 5.1 above.

5.3. Indemnification Conditions and Procedures. Each Party’s agreement to Indemnify the other Party is conditioned on the indemnified Party: (a) providing written notice to the indemnifying Party of any Third Party Claim for which it is seeking indemnification hereunder promptly after the indemnified Party has knowledge of such claim; (b) permitting the indemnifying Party to assume full control over the defense and settlement of such Third Party Claim, except that the indemnified Party may cooperate in the defense at its own expense using its own counsel (and indemnified Party must approve any settlement that involves an admission by or imposes a material obligation on such Party, such approval not to be
unreasonably withheld); (c) providing reasonable cooperation, information and assistance to the indemnifying Party, at the indemnifying Party’s reasonable expense, with respect to the defense and settlement of such Third Party Claim; and (d) not compromising or settling (or admitting any liability for) such Third Party Claim without the indemnifying Party’s written consent.


Each Party shall comply with U.S. export laws and regulations, as may be amended from time to time.

5.5. **Compliance with Anti-Corruption Law.**

Each Party represents to the other Party that:

5.5.1. Neither it, nor any of its officers, directors, employees, agents or other representatives has performed or will perform any of the following acts in connection with this Agreement, any sale made or to be made hereunder, any compensation paid or to be paid hereunder, or any other transactions involving its business interests: pay, offer or promise to pay, or authorize the payment of, any money, or give or promise to give, or authorize the giving of, any services or anything else of value, either directly or through a third party, to any Public Official for the purpose of (i) influencing any act or decision of that person in his official capacity, including a decision to fail to perform his official functions with such governmental agency or instrumentality or such public international organization or such political party, (ii) inducing such person to use his influence with such governmental agency or instrumentality or such public international organization or such political party to affect or influence any act or decision thereof or (iii) securing any improper advantage.

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5.5.2. It will promptly respond to requests by the other Party, or its authorized representatives, to provide additional information and/or complete additional training, as may be requested by said Party from time to time.

5.5.3. Neither it nor any of its officers, directors, employees, agents or other representatives are currently a Public Official.

5.5.4. Neither it nor any of its officers, directors, employees, agents or other representatives SOPHiA are currently associated with or owned by a Public Official.

5.5.5. Neither it nor any of its officers, directors, employees, agents or other representatives is, or has been, debarred, suspended or otherwise prohibited from transacting business with a government institution or been convicted of any crime involving fraud, conflict of interest, bribery or gratuity violations.

5.5.6. The Parties have implemented effective disclosure procedures, controls and accounting systems to ensure compliance with applicable anti-corruptions laws, including, but not limited to, the FCPA.

5.5.7. A Party will immediately notify the other Party of any changes to the foregoing or if it becomes aware of potential behaviour that violates any applicable law, including the FCPA.

6. MISCELLANEOUS

6.1. Notices. All notices shall be in writing addressed as follows, or to such other address as may be designated from time to time:

- For Twist: [**]
- For SOPHiA:
  SOPHiA GENETICS SA
  c/o [**]
  Rue du Centre 172
  CH-1025 Saint-Sulpice
  Telephone No.: [**]
  [**]

6.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the New York, without giving effect to the laws of conflict. The Convention on the International Sale of Goods shall not be applicable.

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6.3. **Publicity.** Except as otherwise set forth in this Agreement, neither Party shall name, refer to the other Party, or otherwise use the other Party’s logos, trade names, trademarks, for publicity, press releases, marketing, or any other external communication without such other Party’s prior written consent. All branding, materials, sales literature and promotional documents bearing Twist’s name, logo or intellectual property will be run by Twist in advance of printing or shipping products, combination products, collateral or other documents electronic or otherwise related to this Agreement at least [**] prior to intended use by Sophia before using (for final approval by Twist), it being understood that Twist shall provide any comments or suggestions within [**] of its receipt of the documentation or literature. Twist shall not unreasonably withhold its approval of the literature or documentation.

6.4. **Entire Agreement.** The terms and conditions contained in this Agreement (including Schedules) constitute the entire agreement between the Parties and supersede all previous communications, representations, agreements and understandings, whether oral or written, between the Parties with respect to the subject matter hereof, and no agreement or understanding varying or extending this Agreement shall be binding upon either Party unless in a writing wherein this Agreement is specifically referred to, and signed by the duly authorized representatives of both Parties.

6.5. **Headings.** The headings of the sections in this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

6.6. **Severability.** Should any part of this Agreement for any reason be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity of the remaining portion, which remaining portion shall continue in full force and effect. In such case, the Parties agree that they will, in good faith, negotiate with one another to replace such invalid provision with a valid provision, as similar as possible to that which has been held to be invalid.

6.7. **Amendments.** Any amendments, modifications or changes to this Agreement, including this clause, must be made in writing and signed by the duly authorized representatives of both Parties.

6.8. **Prevailing Language.** This Agreement has been drawn up in the English language. Each Party may prepare a translation into its own native language. However, in case of inconsistencies between the English text and any of its translations, the English text will prevail.

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6.9. Disputes

6.9.1. **Duty to negotiate.** The Parties will use their good faith efforts to amicably negotiate and seek to resolve any disputes between them arising out of or in connection with this Agreement, including disputes about its validity in whole or in part.

6.9.2. **Arbitration.** If the Parties fail to reach an amicable settlement, such disputes shall, to the exclusion of the regular courts, be decided by binding arbitration in London, England. This arbitration shall be constituted and proceed according to the International Rules of Arbitration, as administered by one (1) arbitrator appointed in accordance with said rules. These rules shall also govern the enforcement of any award, the compensation of the arbitrator, and any other matter connected with such arbitration proceeding. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, the Parties may apply to any court of competent jurisdiction for preliminary or interim equitable relief, or to compel arbitration in accordance with this Section, without breach of this arbitration provision.

6.10. **Force Majeure.** If the performance of any obligation of a Party under this Agreement, other than payment obligations, is prevented or impaired for any cause beyond the reasonable control of such Party, such as governmental orders and requirements, labor or material shortages, strikes, riots, fire, flood, war, denial of service (DoS) attack and other acts of God, such Party shall be excused from performance as long as such cause continues to prevent or impair performance, provided that the defaulting Party claiming such excuse shall promptly notify the other Party of the start and stop of such cause and shall at all times use its good faith efforts to resume and complete such performance.

6.11. **Assignment.** This Agreement may not be assigned by either Party without the prior written consent of the other Party, provided that a Party may assign or otherwise transfer this Agreement and its rights and obligations hereunder in total to an Affiliate or a successor in interest in connection with any merger, consolidation, reorganization, or a sale or other transfer of said Party’s entire business or that part of said Party’s business to which this Agreement relates (any such consented to assignment or assignment not requiring consent being a “**Permitted Assignment**”), provided, in all such cases, that any such assignee or transferee has agreed in writing to be bound by the terms and provisions of this Agreement or is so bound by operation of law.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in two copies each of which shall be considered an original.

TWIST BIOSCIENCE CORPORATION

By: /s/ Emily Proust
Name: Emily Proust
Title: CEO

SOPHIA GENETICS SA

By: /s/ Daan Van Well
Name: Daan Van Well
Title: General Counsel

By: /s/ Kevin Puylaert
Name: Kevin Puylaert
Title: General Manager
North America and VP Business Development

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SCHEDULE A

LIST OF PRODUCTS

[**]

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SCHEDULE D

SHIPMENT PRICES

Shipping costs Information

Handling costs below:

For US shipments, shipping costs depend on Order and location within the US. [**] range from [**] (Berkeley) to [**] (Cambridge, Boston)

[**] from [**] (Berkeley) to [**] (Cambridge, Boston) Handling costs:

Custom fee is added as [**] of value goods

Specific case-by-case shipping and handling costs may be added to Invoices.
SCHEDULE E

RESTRICTED CUSTOMERS

[**]

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SCHEDULE F

RESTRICTED COUNTRIES

[**]

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INDEMNITY AGREEMENT
made as of [date], 2021

between

SOPHiA GENETICS SA
Rue du Centre 172
CH-1025 Saint-Sulpice
Switzerland

(the “Company”)

and

[Name]
[Address]

(the “Covered Person”)

(each a “Party” and collectively the “Parties”)
PREAMBLE

WHEREAS

A. The Covered Person has been elected as a member of the Board of Directors (a “Director”) or appointed as a member of the management (an “Officer”) of SOPHiA GENETICS SA, a company incorporated, organized and existing under the laws of Switzerland, having its registered office in Saint-Sulpice (VD), Switzerland. For the avoidance of doubt, for purposes of this present indemnity agreement (the “Agreement”), the functions and activities or omissions of the Covered Person as a member of a committee of the Board of Directors shall also be deemed functions, activities or omissions of such Covered Person as a Director.

B. The Company is a healthcare technology company, and its shares are listed on the Nasdaq Stock Market LLC in the United States of America.

C. The Covered Person is exposed to litigation risks arising from claims that may be brought against him or her in connection with his or her function as a Director or Officer.

D. The articles of association of the Company in their version as is in effect at the time of the listing of the Company’s shares on the NASDAQ (the “Articles of Association”) provide that the Company, to the extent not included in insurance coverage or paid by third parties, shall indemnify and hold harmless, to the extent permitted by law, the existing and former members of the Board of Directors and Executive Committee, and their heirs, executors and administrators, out of the assets of the Company from and against all threatened, pending or completed actions, suits or proceedings – whether civil, criminal, administrative or investigative – and all costs, charges, losses, damages, and expenses.

E. It is reasonable, prudent and necessary for the Company, in due consideration of the risks related to its activity and its position as a US stock-exchange listed company, to enter into this Agreement to contractually indemnify persons serving as Directors or Officers to the fullest extent permitted by the Articles of Association of the Company and the applicable law so that they will serve, or continue to serve, in such capacity free from undue concern that they will not be so indemnified.

NOW, THEREFORE, the Company and the Covered Person hereby agree as follows:

1. THIRD-PARTY PROCEEDINGS

1.1 In connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal or administrative or investigative, to which he or she was, is or is threatened to be made a party, or in which he or she was, is or is threatened to be otherwise involved, whether conducted by the Company or any other party, whether civil, criminal, administrative, investigative or other and whether formal or informal, except for one initiated by the Covered Person, to enforce the Covered Person’s rights under this Agreement (a “Proceeding”) involving the Covered Person, the Company shall indemnify the Covered Person if:

a) he or she was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a Director or an Officer or a member of the Board of Directors or management of a direct or indirect subsidiary of the Company (an “Affiliate”); and

b) he or she is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was an employee, agent or consultant of the Company or an Affiliate, or is or was serving at the request of the Company as a Director or Officer, against any expenses, including reasonable attorneys’ fees, court and administrative fees, related taxes and obligations of any nature whatsoever actually and reasonably incurred by him or her in any Proceeding, including judgments, damages, fines, other liability or claims, and amounts paid in connection with a settlement incurred by the Covered Person in connection with such Proceeding (the “Expenses”).

1.2 Any indemnification under this Agreement, other than advance payments (unless ordered by a court), shall be made by the Company only as authorized in the specific case upon a determination by the Company that indemnification of the Covered Person is not excluded pursuant to Section 3.
2. PROCEEDING IN THE RIGHT OF THE COMPANY

2.1 The Company shall indemnify the Covered Person against any Expenses, if the Covered Person was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company to procure a judgment in favor of the Company by reason of the fact that the Covered Person is or was a Director, Officer, employee, consultant or agent of the Company or its Affiliates or is or was serving at the request of the Company as a Director, Officer, employee, consultant or agent of, or participant in, another corporation, partnership, joint venture, trust, or other enterprise.

2.2 As far as is permissible under applicable law, Expenses incurred in defending any Proceeding for which indemnification is permitted pursuant to this Agreement shall be paid by the Company in advance of the final disposition of such proceeding upon receipt by the Board of Directors of an undertaking by or on behalf of the Covered Person to repay such amount, with applicable interest, if it shall ultimately be determined in accordance with Section 3 below that he or she is not entitled to be indemnified by the Company under this Agreement.

3. NO INDEMNIFICATION

3.1 Sections 1 and 2 above shall not apply, and any advanced Expenses shall be reimbursed by the Covered Person to the Company if:
   a) a competent court holds the Covered Person to be liable and concludes that the relevant actions or omissions giving rise to the Proceeding constitute fraud, dishonesty or an intentional or grossly negligent breach of the duties of the Covered Person under applicable law or under its terms of office or agreements with the Company including the obligation to act honestly and in good faith with a view to the best interests of the Company; or
   b) absent a judgment by a competent court as set forth under Section 3.1(a) above, it is prima facie apparent that the relevant actions or omissions giving rise to the Proceeding constitute fraud, dishonesty or an intentional or grossly negligent breach of the duties of the Covered Person under applicable law or under its terms of office or agreements with the Company.

3.2 Any determination shall be made, with respect to a Covered Person:
   a) by a majority vote of the members of the Board of Directors who are not parties to such proceeding, even though less than a quorum; or
   b) by a committee of members of the Board of Directors designated by a majority vote of the members of the Board of Directors who are not parties to such proceeding, even though less than a quorum; or
   c) if there are no such members of the Board of Directors, or if such members of the Board of Directors so direct, by independent legal counsel in a written opinion; or
   d) by the General Meeting of Shareholders.

To the extent that any Covered Person has been successful on the merits or otherwise in defense of any proceeding, or in defense of any claim, issue or matter therein, such Covered Person shall be indemnified against Expenses irrespective of any such prior determination.

3.3 Notwithstanding the preceding sentence, this Section shall not extend to any person holding the internal office or the external consultant’s position of auditor or special auditor of the Company.

4. NON-EXCLUSIVITY

4.1 This Agreement shall supplement the Covered Person’s terms of office and/or employment agreement with the Company as separately agreed with the Company. If a discrepancy exists between the employment agreement of the Covered Person with the Company and this Agreement, the latter shall prevail.

4.2 This Agreement shall not limit the Covered Person’s reimbursement rights provided under statutory law and the Articles of Association.
5. INDEMNIFICATION PROCEDURE

5.1 Should the Covered Person become aware of any Proceeding which could give rise to any entitlements under this Agreement, the Covered Person shall:

a) as promptly as practicable (but in no event later than 20 business days of becoming so aware), notify the Company in writing, which also includes email, of the existence of such a Proceeding, giving, as reasonably available at the time of such notice, reasonable details relating to the Proceeding, including the person(s) making (or threatening to make) the respective Proceeding, the circumstances leading to such a Proceeding, the cause of action for the Proceeding and the possible costs associated with the Proceeding;

b) give to the Company and its professional advisers information and access to documents and records as the Company may reasonably request, except where such access would result in a loss of privilege or would be adverse to the Covered Person’s interests or where the Covered Person is prevented by law from providing such access. In this connection, the Company shall be entitled to require the Covered Person to take such actions and give such information and assistance, in order to avoid, mitigate, settle or defend the Proceeding as the Company may reasonably request;

c) allow the Company upon its request, and following regular consultation with the Covered Person, to conduct such actions as the Company may deem appropriate in connection with any such Proceeding (including assuming the defense of such Proceeding). In this connection, the Covered Person shall give to the Company all assistance as the Company may reasonably require in the conduct of such actions (except in cases where taking such action is adverse to his legitimate and personal interests);

d) make no admission of liability or enter into settlement discussions with any person in relation to any Proceeding without the prior written consent of the Company (which shall not be unreasonably withheld); and

e) take all reasonable actions to mitigate any potential loss which may incur as a result of a Proceeding.

5.2 The Company shall be entitled to settle any Proceeding at its sole discretion and without the Covered Person’s prior written consent, except where the terms of the settlement would (i) impose any costs, expense, loss liability, damage, penalty or limitation on the Covered Person or (ii) cause damage to the Covered Person’s image or reputation. In each case of (i) and (ii) above, the Company may settle such Proceeding, provided that the Company obtains the Covered Person’s prior written consent, which the Covered Person shall not unreasonably delay or withhold. In all cases, the Company shall not settle any Proceeding before notifying the Covered Person of its intention and consulting with the Covered Person as to the terms of the proposed settlement. The Covered Person and the Company shall take all actions as may be necessary or advisable to effect such a settlement.

5.3 Notwithstanding the foregoing, the Covered Person and the Company shall take all actions as may be required to comply with the terms of any policy of a directors’ and officers’ liability insurance pursuant to Section 6.

5.4 Notwithstanding any provision of this Agreement to the contrary, and subject to reimbursement pursuant to Section 3, the Company shall advance to the Covered Person or pay directly, at the Company’s sole discretion, any Expenses actually and reasonably incurred by the Covered Person in connection with any Proceeding pursuant to Section 1 and 2 of this Agreement within 30 calendar days after the receipt by the Company of each statement requesting such advance from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free.

6. LIABILITY INSURANCE

6.1 To the extent the Company maintains an insurance policy or policies providing directors’ and officers’ liability insurance, the Covered Person shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage in place for any Director or Officer.

6.2 If, at the time the Company receives notice from any source of a Proceeding to which the Covered Person is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give notice of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Covered Person, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.
6.3 The Company shall indemnify the Covered Person for Expenses incurred by Covered Person in connection with any reasonable action brought by Covered Person for recovery under any insurance policy referred to in this Section 6 and shall advance to the Covered Person any Expenses actually and reasonably incurred by the Covered Person in connection with such action.

7. SUBROGATION

7.1 In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Covered Person, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including but not limited to the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

8. NO DUPLICATION OF PAYMENTS

8.1 The Company shall not be liable under this Agreement to make any payment in connection with any Proceeding made against the Covered Person to the extent the Covered Person has otherwise actually received payment (under an insurance policy or otherwise) of the amounts otherwise indemnifiable hereunder.

9. EFFECT OF TERMINATION OF SERVICE

9.1 The indemnification provided by this Agreement shall, subject to the terms and conditions of this Agreement, continue for the Covered Person after he or she has ceased to be a Director or Officer.

10. BINDING EFFECT

10.1 This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, amalgamation, consolidation or otherwise to all or substantially all of the business or assets of the Company, spouse, heirs, and personal and legal representatives. This Agreement shall continue in effect, subject to the terms and conditions of this Agreement, regardless of whether the Covered Person continues to serve as a Director or Officer of the Company or as a director of officer of any other legal entity at the Board of Directors’ request.

10.2 The obligations of the Company under this Agreement are subject to applicable laws and the Articles of Association.

11. AMENDMENTS

11.1 This Agreement may only be modified or amended by a document signed by all Parties. Any provision contained in this Agreement may only be waived by a document signed by the Party waiving such provision.

12. SEVERABILITY

12.1 If any part or provision of this Agreement or the application of any such part or provision to any person or circumstance shall be held to be invalid, illegal or unenforceable on any respect by any competent arbitral tribunal, court, governmental or administrative authority, (a) such invalidity, illegality or unenforceability shall not affect any other part or provision of this Agreement or the application of such part or provision to any other person or circumstances, and (b) the Parties shall endeavor to negotiate a substitute provision that best reflects the economic intentions of the Parties without being invalid, illegal or unenforceable, and shall execute all agreements and documents required in this connection.

13. APPLICABLE LAW AND JURISDICTION

13.1 This Agreement shall be governed by and construed in accordance with the substantive laws of Switzerland, excluding the provisions on conflict-of-laws.

13.2 All disputes arising out of or in connection with this Agreement, including but not limited to disputes on its conclusion, binding effect, amendment and termination, shall be resolved exclusively by the courts at the registered office of the Company.
SIGNATURES

SOPHiA GENETICS SA

By: ____________________________
   Name: ________________________
   Title: _________________________

By: ____________________________
   Name: ________________________
   Title: _________________________

Covered Person

By: ____________________________
   Name: ________________________
   Title: _________________________

[signature page to the Indemnity Agreement]
SOPHIA GENETICS

INCENTIVE STOCK OPTION PLAN
(“ISOP”)

TERMS AND CONDITIONS

I. EXECUTIVE SUMMARY

II. OPTION EXERCISE RULES

III. OTHER RULES

IV. PLAN ALTERATION

V. TAX & SOCIAL SECURITY ASPECTS

ANNEX 1 : “OPTION GRANT CERTIFICATE”

ANNEX 2 : “OPTION EXERCISE NOTICE”

DISCLAIMER

The ISOP shall under no circumstances be considered as being part of any participant’s ordinary remuneration or salary. The ISOP shall only be considered as a discretionary incentive scheme aimed to grant participants an equity commitment in Sophia Genetics SA.

Strictly Private and Confidential - September 2013
I. EXECUTIVE SUMMARY

What are the objectives of the ISOP?

The ISOP of Sophia Genetics SA (“Sophia Genetics”) has the following objectives:

- to give all participants (i.e., directors, employees and advisors of Sophia Genetics or a subsidiary of Sophia Genetics, if any; each a “Participant”) a chance to participate in the future success of Sophia Genetics, not only as a director, an employee or an advisor, but also as a shareholder; and
- to harness the efforts of all Participants for the success of Sophia Genetics, through the feeling of ownership and capital gain perspectives.

What is the ISOP all about?

The ISOP is a plan by which Participants may receive one or more options (each an “Option”). Each Option entitles the Participant to purchase one ordinary share of Sophia Genetics (each a “Share”) at the price indicated in the Option Grant Certificate (the “Strike Price”), subject to the terms and conditions of this ISOP, as amended by the board of directors of Sophia Genetics (the “Board”) from time to time.

What is my incentive?

The potential positive difference between the Strike Price and the resale price of the Share (after deduction of brokerage fees and taxes) may result in a capital gain. Usually, the conversion of the Option into a Share and the resale of the Share take place on the same day in order to avoid cash outflow. The Participant may however decide to keep the Share for a longer period.

Notwithstanding the preceding, participation in the ISOP and the exercise of an Option do not entitle Participants to claim a capital gain.

II. GRANT OF OPTIONS

How are Options granted?

Options are granted to Participants through an Option Grant Certificate substantially in the form set out in Annex I.

The Option Grant Certificate is valid once the Participant has returned a signed copy indicating acceptance of the terms and conditions of the ISOP, and expressly acknowledging that no rights or expectations are granted to the Participant other than expressly stated herein and therein.

The Board remains free to adopt any specific procedures it thinks fit for the grant of Options. The Board may thus in particular:

- require a Participant to make such declarations or take such other action as may be required for the purposes of securities, exchange control, taxation or other laws, regulations or practice that may be applicable to Sophia Genetics or the Participant at any time;
determine that any Option under the ISOP shall be subject to additional and/or modified terms and conditions; or

• adopt any supplemental rules or procedures governing the grant or exercise of Options as may be required for the purposes of securities, exchange control, taxation or other laws, regulations or practice.

Who may be granted Options?
The Board shall, at its absolute discretion, select from directors, employees and advisors of Sophia Genetics and its subsidiaries, if any, those eligible to be granted Options. No person, whatever his/her position in Sophia Genetics, may claim any right or expectation to a grant of Options under the ISOP.

Has a Participant the right to further Options?
Neither the grant of Options nor any other action of Sophia Genetics or of the Board shall be interpreted as conferring upon a Participant the right to receive further Options and/or Shares. The eligibility of Participants for additional Options (for example in case of a promotion or of a contribution to an achievement having an outstanding positive impact on Sophia Genetics financial performance or on its clients’ and employees’ satisfaction) shall remain at the absolute discretion of the Board.

Can a person refuse to be granted Options?
A person may refuse to be granted Options. Such acceptance or refusal is formalised by way of returning the Option Grant Certificate to Sophia Genetics indicating refusal.

Are there costs or tax implications for the Participant?
Options shall be granted to Participants free of charge. However, all individual taxes such as income taxes, as well as any social security contributions shall be borne by the Participant.

Can the Options be modified once they have been granted?
The Options may be subject to adjustments at the discretion of the Board in the event of certain corporate events. The Board may thus adjust the number of Options as well as the Strike Price to reflect any split or combination of shares of Sophia Genetics. Any such adjustment shall be final and binding upon all Participants, and made at the absolute discretion of the Board.

III. Exercise of Options

How does a Participant exercise Options?
Options are exercised by giving an Option Exercise Notice in substantially the form attached in Annex II, to the Board.

The exercise of Options is irrevocable.

Strictly Private and Confidential - September 2013
When may a Participant exercise Options?
Options shall vest gradually from the allocation date specified on the Option Grant Certificate (the “Allocation Date”):

- 24 months after the Allocation Date: 50% of the Options granted through the Option Grant Notice; and
- 36 months after the Allocation Date: 100% of the Options granted through the Option Grant Notice.

In the event of a change of control of Sophia Genetics (where “change of control” means the acquisition by any person or entity, alone or jointly, of more than 50% of the shares or the voting rights of Sophia Genetics) or in the event of a successful initial public offering (“IPO”) of Sophia Genetics, all Options shall vest immediately as of the date of change of control or as of the effective date of the IPO.

Options may be exercised as soon as they vest, subject to the conditions of this ISOP and to any limitations of applicable securities and tax law provisions, or any other limitations determined by the Board from time to time.

The Board may, at its discretion, authorize the exercise of Options at an earlier date.

Options expire 10 years after their Grant Date. The Board may extend the validity of Options at its discretion.

At what price may a Participant acquire the Shares?
Options are exercised at the Strike Price. Unless a day-trading arrangement is in place and chosen by the Participant (i.e. the Option is exercised and the Share resold within the same trading day), the Strike Price is to be remitted in Swiss Francs, by wire-transfer, or by any other means determined by the Board in its absolute discretion, on the exercise date of the Option or within such period of time set by the Board. In case of share split or share combination, the Strike Price is adapted accordingly.

Are there any other conditions precedent to the exercise of the Options?
The exercise of an Option is subject to the following additional conditions precedent:

- the Participant adheres to the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) existing at the time the Option is exercised;
- the Participant pays any amount due or provision for applicable withholding tax as determined by the Board in its absolute discretion;
- the Participant executes and delivers any documents required by law.

The Participant may request a copy of the shareholders agreement from the Board prior to exercising the Option and at any time during the life of the Option.
What are the consequences for failing to fulfill the conditions of the ISOP?

No Option shall be deemed exercised and no Shares shall be delivered, respectively no acquisition of Shares shall be registered, until the Participant has complied to the satisfaction of the Board with all the requirements set forth in this ISOP.

In particular, the failure of the Participant to adhere to the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options), to pay the Strike Price within such period of time as set by the Board, or to pay any amount due or provision for applicable withholding tax shall result in forfeiture of the Options without value, and no Shares shall be delivered to the Participant.

The requirement of adherence to the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) or payment of the Strike Price may be waived by the Board in the event of immediate resale of Shares after exercise of the Options (i.e. day trading).

What category of Shares shall a Participant receive?

Shares to be acquired in accordance with the ISOP will be newly issued shares of ordinary, authorized or conditional share capital, or shares owned by or otherwise made available to Sophia Genetics.

The Board shall determine in its absolute discretion whether any Participant shall receive a newly issued share or an existing share owned by or made available to Sophia Genetics.

Can a Participant sell the Shares? For what price?

The Participant may decide to exercise the Options and either keep the Shares for some time, or dispose of the Shares (incl. immediately) thereafter, subject of course to the terms of the shareholders agreement (or any other agreement as determined by the Board). However, in the occurrence of an IPO, legal restrictions on the disposal of shares may be imposed.

The administration of Share certificates and of Share trading may be outsourced by Sophia Genetics to an external entity. In such an event, the sole responsibility of Sophia Genetics shall be to pass the Participant’s instructions to the entity charged with trading activities. All trading charges and taxes shall be deducted automatically and the net capital gain will be credited to the Participant. In case of “day trading”, no cash will in principle be required from the Participant.

The Participant must make his/her own arrangements to find a counterpart to purchase any Shares, subject always to any rules and restrictions established in the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) and any securities law provisions, and according to any limitations determined by the Board from time to time.

IV. OTHER RULES

What happens with my Options, should a Participant leave Sophia Genetics or end his contractual relationship with Sophia Genetics?

Unless agreed otherwise between the Board and the Participant, upon:

- termination of the employment or contractual relationship between Sophia Genetics (or one of its subsidiary) and the Participant by Sophia Genetics (or such subsidiary) for cause (as such term is defined in connection with Article 337 of the Swiss Code of Obligations or for similar grounds) or upon termination by the Participant without prior written consent of Sophia Genetics or of its subsidiary;
• breach by the Participant of any obligations set out in the ISOP, any Option Grant Certificate, the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options), or any agreement dealing with the Participant’s contractual relationship with Sophia Genetics (or one of its subsidiary), as entered into and amended from time to time, such as any confidentiality obligations, non-compete or non-solicitation obligations, obligations pertaining to the intellectual property of Sophia Genetics or its subsidiaries; and/or

• breach by the Participant of any provisions of applicable laws,

all Options (including, for the avoidance of doubt, any Options that have already vested and are exercisable) held by the Participant shall be immediately forfeited without value.

In case of end of the employment relationship due to retirement of a Participant, Options that have already vested and are exercisable may still be exercised during a period of three years after the end of employment, after which time they shall be forfeited without value. Options that have not already vested on the date of end of employment are immediately forfeited without value.

Upon death of a Participant, Options shall continue to vest as ordinary and may still be exercised by the Participant’s heirs, successors or estate following the rules established in the ISOP and by the Board in its discretion during a period of three years after the date of death, after which time all Options, whether vested or not, shall be forfeited without value.

Upon disability of a Participant, Options shall continue to vest as ordinary and may still be exercised by the Participant following the rules established in the ISOP and by the Board in its discretion during a period of three years after the date of disability, after which time all Options, whether vested or not, shall be forfeited without value.

Should the Participant’s employment or contractual relationship by Sophia Genetics (or one of its subsidiary) end for any other reason, Options shall continue to vest as ordinary and may still be exercised by the Participant following the rules established in the ISOP and by the Board in its discretion during a period of three years after the date of end of employment or contractual relationship, after which time all Options, whether vested or not, shall be forfeited without value.

Nothing in the ISOP shall restrict the right of the Participant or Sophia Genetics, a subsidiary or an affiliate of Sophia Genetics, to terminate the contract of the Participant at any time and for any reason, with or without cause.

Is it possible to transfer my options?

Options are personal and cannot be transferred or sold in any way.

IV. ADMINISTRATION OF THE ISOP

How is the ISOP administered?

The ISOP is administered by the Board.
The Board has full power to construe and interpret the ISOP, to amend or rescind the ISOP, to establish and amend rules and regulations relating to the administration of the ISOP, and to perform all other actions relating to it including the delegation of administrative responsibilities.

All decisions made by the Board pursuant to the provisions of the Plan and related orders or resolutions of the Board shall be final, conclusive and binding on all Participants.

Members of the Board shall not vote on any decision regarding Options granted or to be granted to them.

V. TAXES & SOCIAL SECURITY MATTERS

The Participant shall indemnify Sophia Genetics against any tax, including employment and social security taxes, arising in respect of the grant or the exercise of Options which is a liability of the Participant but for which Sophia Genetics is required to account under the laws of any relevant territory, including any revaluation or reassessment of the tax liability of the Participant and/or Sophia Genetics by any tax authority.

Sophia Genetics may recover the tax from the Participant in such manner as the Board deems necessary including: (i) withholding and selling all or part of the Options of such Participant; (ii) withholding or repurchasing at nominal value and selling all or part of the Shares of such Participant; (iii) deducting or offsetting any amount due by Sophia Genetics to the Participant including any compensation or remuneration; and/or (iv) requiring the Participant to account directly to Sophia Genetics for such tax and pay immediately any amount due to Sophia Genetics.

VI. APPLICABLE LAW AND ARBITRATION

The ISOP and any related document shall be governed by and construed in accordance with the substantive laws of Switzerland, excluding principles of conflict of laws.

Any dispute, controversy or claim arising out of or in relation with the ISOP, including the validity, invalidity, breach or termination thereof, shall be finally decided by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers’ Arbitration Institution in force on the date when the notice or arbitration is submitted in accordance with said rules. The seat of the arbitration shall be Geneva, Switzerland. The language of arbitration shall be English.

The acceptance of any Option or any related right implies consent to the choice of law and jurisdiction set in this ISOP.

By executing the Option Grant Certificate, the Participant expressly acknowledges and accepts the terms and conditions of the ISOP and all its related documents as well as the powers of the Board to complete, interpret and implement it through further documents which it may from time to time determine necessary or relevant, Any disagreement regarding the interpretation shall be resolved by Sophia Genetics, whose determination shall be binding.
ANNEX I

OPTION GRANT CERTIFICATE

The Participant:

Name ____________________________

is hereby granted _______ Options to purchase _______ Sophia Genetics Shares

at the Strike Price of CHF___________ / each

on the following Allocation Date:_____/_____/_____

The Options may be exercised in accordance with the terms and conditions of the ISOP.

We hereby confirm that the above Participant is entitled to receive the above Options and that he/she is entitled to acquire Sophia Genetics shares following the provisions of the ISOP rules.

Date_____/_____/_____

For Sophia Genetics

I hereby accept / refuse (please specify) the above Options grant as well as the terms and conditions of the ISOP (including any resulting tax liability).

Date_____/_____/_____

For the Participant

The acceptance of any Option or any related right implies consent to the choice of law and jurisdiction set in the ISOP.

The Participant undertakes to adhere to the shareholders agreement binding all shareholders (or to any other agreement approved by the Board binding Participants upon the exercise of Options).

By executing this Option Grant Certificate, the Participant expressly acknowledges and accepts the terms and conditions of the ISOP and all its related documents as well as the powers of the Board to complete, interpret and implement it through further documents which it may from time to time determine necessary or relevant. Any disagreement regarding the interpretation shall be resolved by Sophia Genetics, whose determination shall be binding.

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ANNEX II

OPTION EXERCISE NOTICE

Last Name

First Name

Street Address

Postal Code and City

Country

Private Telephone E-Mail

Wishes to exercise:

Number of Options 

at Strike Price: CHF (as per the Option Grant Certificate)

Remittance of the above Strike Price amount will be made to the Company from:

Bank Name

Bank Account Number

International Clearing Code (if available)

Bank Address

Value Date at the latest 

Date

Signature

We hereby confirm that the above Participant is entitled to exercise the above options and that the according acquisition of Sophia Genetics Shares is correct.

Date (for Sophia Genetics) (signature)

Strictly Private and Confidential - September 2013 9
SOPHIA GENETICS

2019 INCENTIVE STOCK OPTION PLAN
(“ISOP”)

TERMS AND CONDITIONS

AMENDED AS OF APRIL 1, 2021

I. EXECUTIVE SUMMARY

II. GRANT OF OPTIONS

III. EXERCISE OF OPTIONS

IV. OTHER RULES

V. ISOP ADMINISTRATION AND AMENDMENTS

VI. TAX AND SOCIAL SECURITY MATTERS

VII. APPLICABLE LAW AND ARBITRATION

ANNEX 1: OPTION GRANT CERTIFICATE

ANNEX 2: OPTION EXERCISE NOTICE

DISCLAIMER

Rights, options and/or shares granted or acquired through the ISOP shall under no circumstances be considered as being part of any participant’s ordinary remuneration or salary. The ISOP shall only be considered as a discretionary incentive scheme aimed at granting participants an opportunity to acquire equity in SOPHIA GENETICS SA.

Confidential
I. EXECUTIVE SUMMARY

What are the objectives of the ISOP?

The ISOP of SOPHIA GENETICS SA (“SOPHiA GENETICS”) has the following objectives:

- to give all participants in the ISOP, i.e., directors, employees and advisors of SOPHiA GENETICS or a subsidiary of SOPHiA GENETICS (collectively, the “SOPHiA GENETICS Group”) selected by the board of directors of SOPHiA GENETICS (the “Board”) in its absolute discretion (each, a “Participant”), a chance to participate in the future success of SOPHiA GENETICS, not only as a director, an employee or an advisor, but also as a shareholder; and
- to harness the efforts of all Participants for the success of SOPHiA GENETICS, through the feeling of ownership and capital gain perspectives.

What is the ISOP all about?

The ISOP is a plan by which Participants may receive one or more options (each, an “Option”). Each Option entitles the Participant to purchase one ordinary share of SOPHiA GENETICS (each, a “Share”) at the price indicated in the Option Grant Certificate (the “Strike Price”), subject to the terms and conditions of the ISOP, as amended by the Board from time to time.

What is the Participant’s incentive?

The potential positive difference between the Strike Price and the resale price of the Share (after deduction of brokerage fees and taxes) may result in a capital gain. Usually, the conversion of the Option into a Share and the resale of the Share take place on the same day in order to avoid cash outflow. The Participant may however decide to keep the Share for a longer period.

Notwithstanding the preceding, participation in the ISOP and the exercise of an Option do not entitle Participants to claim a capital gain.

II. GRANT OF OPTIONS

How are Options granted?

Options are granted to Participants through an Option Grant Certificate substantially in the form set out in Annex I.

The Option Grant Certificate is valid once the Participant has returned a signed copy indicating acceptance of the terms and conditions of the ISOP, and expressly acknowledging that no rights or expectations are granted to the Participant other than expressly stated herein and therein.

The Board remains free to adopt any specific procedures it thinks fit for the grant of Options.

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The Board may thus in particular:

- require a Participant to make such declarations or take such other action as may be required for the purposes of securities, exchange control, taxation or other laws, regulations or practice that may be applicable to SOPHiA GENETICS or the Participant at any time;
- determine that any Option under the ISOP shall be subject to additional and/or modified terms and conditions; or
- adopt any supplemental rules or procedures governing the grant or exercise of Options as may be required for the purposes of securities, exchange control, taxation or other laws, regulations or practice.

Who may be granted Options?

The Board shall, at its absolute discretion, select from directors, employees and advisors of SOPHiA GENETICS and its subsidiaries those eligible to be granted Options. No person, whatever his/her position in SOPHiA GENETICS, may claim any right or expectation to a grant of Options under the ISOP.

Has a Participant the right to further Options?

Neither the grant of Options nor any other action of SOPHiA GENETICS or of the Board shall be interpreted as conferring upon a Participant the right to receive further Options and/or Shares. The eligibility of Participants for additional Options (for example in case of a promotion or of a contribution to an achievement having an outstanding positive impact on SOPHiA GENETICS financial performance or on its clients’ and employees’ satisfaction) shall remain at the absolute discretion of the Board.

Can a person refuse to be granted Options?

A person may refuse to be granted Options. Such acceptance or refusal is formalised by way of returning the Option Grant Certificate to SOPHiA GENETICS indicating refusal.

Are there costs or tax implications for the Participant?

Options shall be granted to Participants free of charge. However, all individual taxes such as income taxes, as well as any social security contributions shall be borne by the Participant.

Can the Options be modified once they have been granted?

Subject to Section IV of the ISOP, the Options may be subject to adjustments at the discretion of the Board in the event of certain corporate events. The Board may thus adjust the number of Options, as well as the Strike Price to reflect any recapitalization, split, combination, reorganization, merger, consolidation, separation, rights offering, split-up, spin-off, repurchase or exchange of shares of SOPHiA GENETICS or other similar corporate transaction or event affecting shares of SOPHiA GENETICS. Any such adjustment shall be final and binding upon all Participants, and made at the absolute discretion of the Board.
III. Exercise of Options

**How does a Participant exercise Options?**

Options are exercised by giving an Option Exercise Notice in substantially the form attached in Annex II, to the Board.

The exercise of Options is irrevocable.

**When may a Participant exercise Options?**

Unless otherwise specified in the Option Grant Certificate, Options shall vest gradually from the allocation date specified on the Option Grant Certificate (the "Allocation Date") as follows, subject to the Participant’s continued employment or service with the SOPHiA GENETICS Group through the applicable vesting date:

- 25% of the total number of Options granted through the Option Grant Notice shall vest on the first anniversary of the Allocation Date; and
- 25% of the total number of Options granted through the Option Grant Notice shall vest on each subsequent anniversary of the Allocation Date (i.e., on the second, the third and the fourth anniversary of the Allocation Date respectively).

In the event of a change of control of SOPHiA GENETICS (where “change of control” means (i) an acquisition by any person or entity, alone or jointly, of more than 50% of the shares, the equity interests or the voting rights of SOPHiA GENETICS or (ii) a business combination transaction with a special purpose acquisition company that results in the holders of SOPHiA GENETICS’s shares prior to such transaction becoming the equity holders of a listed entity, all unvested Options shall become fully vested immediately as of such date (accelerated vesting).

In the event of a successful initial public offering ("IPO") or public listing of SOPHiA GENETICS, unvested Options that otherwise would vest within 6 months following the effective date of the IPO or public listing shall become fully vested immediately as of such date (accelerated vesting). The remaining unvested Options (i.e., unvested Options that would only vest after the six-month period following the effective date of the IPO or public listing) shall not be subject to accelerated vesting and, subject to Section IV, shall vest based on the original vesting schedule.

In any case, Options may be exercised as soon as they vest within specific exercise windows as determined by the Board, subject to the conditions of the ISOP and to any limitations of applicable securities and tax law provisions, including any applicable lock-up or black-out period, or any other limitations determined by the Board from time to time.

Notwithstanding the foregoing, the Board may, at its discretion, authorize the exercise of unvested Options at an earlier date.

Options expire 10 years after their Grant Date. The Board may extend the validity of Options at its discretion.

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At what price may a Participant acquire Shares?

Options are exercised at the Strike Price which is determined by the Board at its absolute discretion and provided in the Option Grant Certificate; provided that, for Participants who are subject to federal income taxation in the United States ("U.S. Participants"), the Strike Price shall not be less than the fair market value of a Share on the Allocation Date, with such fair market value determined by any method or procedure as may be established by the Board from time to time, in its absolute discretion, in accordance with Section 409A of the U.S. Internal Revenue Code ("Section 409A").

Unless a cashless exercise (broker-assisted) or net settlement arrangement is in place and chosen by the Participant (i.e., Options are exercised and the minimum number of Shares with an aggregate value equal to the Strike Price is, in the case of cashless exercise (broker-assisted), sold by a broker, with that amount remitted to SOPHiA GENETICS, and, in the case of net settlement, withheld by SOPHiA GENETICS, in each case, within the same trading day), the Strike Price is to be remitted in Swiss Francs (CHF), by wire transfer, or by any other means determined by the Board in its absolute discretion, on the exercise date of the Option or within such period of time set by the Board. In case of share split or share combination, the Strike Price is adapted accordingly.

Are there any other conditions precedent to the exercise of the Options?

The exercise of an Option is subject to the following additional conditions precedent:

- the Participant adheres to the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) existing at the time the Option is exercised;
- the Participant pays any amount due or provision for applicable withholding tax as determined by the Board in its absolute discretion; and
- the Participant executes and delivers any documents required by law.

The Participant may request a redacted copy of the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) from the Board prior to exercising the Option and at any time upon vesting of the Option.

What are the consequences for failing to fulfill the conditions of the ISOP?

No Option shall be deemed exercised and no Shares shall be delivered, respectively no acquisition of Shares shall be registered, until the Participant has complied to the satisfaction of the Board with all the requirements set forth in the ISOP.

In particular, the failure of the Participant to adhere to the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options), to pay the Strike Price within such period of time as set by the Board, or to pay any amount due or provision for applicable withholding tax shall result in forfeiture of the Options without value, and no Shares shall be delivered to the Participant.

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The requirement of adherence to the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) or payment of the Strike Price may be waived by the Board in the event of immediate resale of Shares after exercise of the Options (i.e. day trading).

**What category of Shares shall a Participant receive?**

Shares to be acquired in accordance with the ISOP will be newly issued shares of ordinary, authorized or conditional share capital, or shares owned by or otherwise made available to SOPHiA GENETICS.

The Board shall determine in its absolute discretion whether any Participant shall receive a newly issued Share or an existing Share owned by or made available to SOPHiA GENETICS.

**Can a Participant sell the Shares? For what price?**

The Participant may decide to exercise the Options and either keep the Shares for some time, or dispose of the Shares (incl. immediately) thereafter, subject of course to the terms of the shareholders agreement (or any other agreement as determined by the Board). However, in the occurrence of an IPO, legal restrictions on the disposal of Shares may be imposed.

The administration of Share certificates and of Share trading may be outsourced by SOPHiA GENETICS to an external entity. In such an event, the sole responsibility of SOPHiA GENETICS shall be to pass the Participant’s instructions to the entity charged with trading activities. All trading charges and taxes shall be deducted automatically and the net capital gain will be credited to the Participant. In case of “day trading”, no cash will in principle be required from the Participant.

The Participant must make his/her own arrangements to find a counterpart to purchase any Shares, subject always to any rules and restrictions established in the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options) and any securities law provisions, and according to any limitations determined by the Board from time to time.

**Can a Participant transfer his/her options?**

Options are personal and cannot be transferred or sold in any way.

IV. **OTHER RULES**

**What happens to a Participant’s Options, if the Participant’s employment or service with SOPHiA GENETICS or a subsidiary of SOPHiA GENETICS is terminated?**

If a Participant’s employment or service with SOPHiA GENETICS or a subsidiary of SOPHiA GENETICS is terminated due to retirement of the Participant, Options that have already vested and are exercisable may still be exercised during a period of 12 months after the end.
date of such employment or service, after which time they shall be forfeited without value. Options that have not already vested on the end date of such employment or service shall be immediately forfeited without value.

Upon the death of a Participant, Options that have already vested and are exercisable may still be exercised by the Participant’s heirs, successors or estate following the rules established in the ISOP and by the Board in its discretion during a period of 12 months after the date of death, after which time they shall be forfeited without value. Options that have not already vested on the end date of death shall be immediately forfeited without value.

Upon the disability of a Participant, Options shall continue to vest based on the original vesting schedule and vested Options may still be exercised by the Participant following the rules established in the ISOP and by the Board in its discretion during a period of 18 months after the date of disability, after which time all Options, whether vested or not, shall be forfeited without value.

Should the Participant’s employment or service with SOPHiA GENETICS or a subsidiary of SOPHiA GENETICS end for any other reason, Options that have already vested and are exercisable may still be exercised by the Participant during a period of 12 months after the end date of such employment or service, or within such period of time as determined by the Board in its absolute discretion, after which time they shall be forfeited without value. Options that have not already vested on the end date of such employment or service shall be immediately forfeited without value.

Unless agreed otherwise between the Board and the Participant, upon:

- termination of the employment or service between SOPHiA GENETICS (or one of its subsidiary) and the Participant by SOPHiA GENETICS (or such subsidiary) for cause (as such term is defined in connection with Article 337 of the Swiss Code of Obligations or for similar grounds) or upon termination by the Participant without prior written consent of SOPHiA GENETICS or of its subsidiary;
- breach by the Participant of any obligations set out in the ISOP, any Option Grant Certificate, the shareholders agreement (or any other agreement approved by the Board binding Participants upon the exercise of Options), or any agreement dealing with the Participant’s employment or service with SOPHiA GENETICS or a subsidiary of SOPHiA GENETICS, as entered into and amended from time to time, including, without limitation, any confidentiality obligations, non-compete or non-solicitation obligations, obligations pertaining to the intellectual property of SOPHiA GENETICS or its subsidiaries; and/or
- breach by the Participant of any provisions of applicable laws,

all Options (including, for the avoidance of doubt, any Options that have already vested and are exercisable) held by the Participant shall be immediately forfeited without value.

For the avoidance of doubt, unless otherwise determined by the Board, the transfer of a Participant as an employee of a member of the SOPHIA GENETICS Group to another member of the SOPHIA GENETICS Group (whether such entity is a domestic or international entity) does not constitute a termination of such Participant’s employment or service with the SOPHIA GENETICS Group for the purposes of the ISOP.

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Nothing in the ISOP shall restrict the right of the Participant or SOPHiA GENETICS, a subsidiary or an affiliate of SOPHiA GENETICS, to terminate the contract of the Participant at any time and for any reason, with or without cause.

**Are there any specific requirements applicable to Options granted to U.S. Participants?**

Options granted to U.S. Participants are intended to comply with the requirements of Section 409A, and the provisions of the ISOP and the Option Grant Certificate and the Option Exercise Notice shall be interpreted and operated in a manner that satisfies the requirements of Section 409A. If any provision of the ISOP or any term or condition of any Option granted to a U.S. Participant would otherwise frustrate or conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict.

Notwithstanding the foregoing, the tax treatment of the benefits provided under the ISOP, the Option Grant Certificate and the Option Exercise Notice with respect to a U.S. Participant’s Options is not guaranteed, and in no event shall SOPHiA GENETICS or any of its subsidiaries or affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by such Participant on account of non-compliance with Section 409A.

V. **ISOP Administration and Amendments**

**How is the ISOP administered?**

The ISOP is administered by the Board.

The Board has full power to construe and interpret the ISOP, to amend or rescind the ISOP, to establish and amend rules and regulations relating to the administration of the ISOP, and to perform all other actions relating to it including, without limitation, the delegation of administrative responsibilities.

All decisions made by the Board pursuant to the provisions of the ISOP and related orders or resolutions of the Board shall be final, conclusive and binding on all Participants.

Members of the Board shall not vote on any decision regarding Options granted or to be granted to them.

VI. **Tax and Social Security Matters**

The Participant shall indemnify SOPHiA GENETICS against any tax, including, without limitation, employment and social security taxes, arising in respect of the grant or the exercise of Options which is a liability of the Participant, but for which SOPHiA GENETICS is required to account under the laws of any relevant territory, including any revaluation or reassessment of the tax liability of the Participant and/or SOPHiA GENETICS by any tax authority.

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SOPHiA GENETICS may recover the tax from the Participant in such manner as the Board deems necessary including: (i) withholding and selling all or part of the Options of such Participant; (ii) withholding or repurchasing at nominal value and selling all or part of the Shares of such Participant; (iii) deducting or offsetting any amount due by SOPHiA GENETICS to the Participant including any compensation or remuneration; and/or (iv) requiring the Participant to account directly to SOPHiA GENETICS for such tax and pay immediately any amount due to SOPHiA GENETICS.

VII. APPLICABLE LAW AND ARBITRATION

The ISOP and any related document shall be governed by and construed in accordance with the substantive laws of Switzerland, excluding principles of conflict of laws.

Any dispute, controversy or claim arising out of or in relation with the ISOP, including the validity, invalidity, breach or termination thereof, shall be finally decided by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers’ Arbitration Institution in force on the date when the notice or arbitration is submitted in accordance with said rules. The seat of the arbitration shall be Geneva, Switzerland. The language of arbitration shall be English.

The acceptance of any Option or any related right implies consent to the choice of law and jurisdiction set in the ISOP.

By executing the Option Grant Certificate, the Participant expressly acknowledges and accepts the terms and conditions of the ISOP and all its related documents as well as the powers of the Board to complete, interpret and implement it through further documents which it may from time to time determine necessary or relevant. Any disagreement regarding the interpretation shall be resolved by SOPHiA GENETICS, whose determination shall be binding.

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ANNEX I

SOPHiA GENETICS 2019 ISOP (THE “ISOP”)
OPTION GRANT CERTIFICATE

The Participant:

Name ____________________________________________________________

is hereby granted_______ Options to purchase_______ ordinary registered shares in SOPHIA GENETICS SA (Shares)

at the Strike Price of CHF_______ each on

the following Allocation Date:_____ / ____ / ____

The Options may be exercised in accordance with the terms and conditions of the ISOP.

We hereby confirm that the above Participant is entitled to receive the above Options and that he/she is entitled to acquire SOPHiA GENETICS shares following the provisions of the ISOP rules.

Date:_____ / ____ / ____

Sophia: Genetics:

I hereby accept / refuse (please specify) the above Options grant, as well as the terms and conditions of the ISOP (including any resulting tax liability).

Date:_____ / ____ / ____

The Participant:

The acceptance of any Option or any related right implies consent to the choice of law and jurisdiction set in the ISOP.

The Participant undertakes to adhere to the shareholders agreement binding all shareholders of SOPHiA GENETICS SA (or to any other agreement approved by the Board binding Participants upon the exercise of Options).

By executing this Option Grant Certificate, the Participant expressly acknowledges and accepts the terms and conditions of the ISOP and all its related documents, as well as the powers of the Board to complete, interpret and implement it through further documents which it may from time to time determine necessary or relevant. Any disagreement regarding the interpretation shall be resolved by SOPHiA GENETICS, whose determination shall be final and binding.
Last Name: 
First Name: 
Street Address: 
City: 
Country: 
Phone: 
Email: 
wishes to exercise:

Number of Options

at the Strike Price of CHF per Share (as per the Option Grant Certificate) through (please check one box only):

☐ cashless exercise (broker-assisted)
☐ net settlement
☐ remittance of the Strike Price by wire transfer based on the information set forth below

Remittance of the above Strike Price amount will be made to the Company from:

Bank Name
IBAN
SWIFT
Bank Address
Value Date at the latest / / 

Date: Signature: 

We hereby confirm that the above Participant is entitled to exercise the above Options and that the according acquisition of SOPHiA GENETICS Shares is correct.

Date: SOPHIA GENETICS SA

(signature)
Section 1. Purpose. The purpose of the SOPHiA GENETICS SA 2021 Equity Incentive Plan (the "Plan") is to motivate and reward employees, Non-Employee Directors, consultants and advisors of SOPHiA GENETICS SA (the "Company") and its Subsidiaries to perform at the highest level and to further the best interests of the Company and its shareholders. Capitalized terms not otherwise defined herein are defined in Section 20.

Section 2. Eligibility.

(a) Any employee, Non-Employee Director, consultant or other advisor of the Company or any Subsidiary shall be eligible to be selected to receive an Award under the Plan.

(b) Holders of equity compensation awards granted by a company acquired by the Company (or whose business is acquired by the Company) or with which the Company combines (whether by way of amalgamation, merger, sale and purchase of Shares or other securities or otherwise) are eligible to be selected to receive grants of Replacement Awards under the Plan.

Section 3. Administration.

(a) The Plan shall be administered by the Committee. The Board may designate one or more members of the Board (or, to the extent required by applicable law or the rules of the applicable stock exchange, Non-Employee Directors of the Company) as a subcommittee who may act for the Committee if necessary to satisfy the requirements of this Section 3. The Committee may issue rules and regulations for administration of the Plan.

(b) Subject to the terms of the Plan and applicable law, the Committee (or its delegate) shall have full power and authority to:

(i) designate Participants;

(ii) determine the type or types of Awards (including Replacement Awards) to be granted to each Participant under the Plan;

(iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards;

(iv) determine the terms and conditions of any Award;

(v) determine whether, to what extent and under what circumstances Awards may be settled or exercised in cash, Shares, other Awards or other property, net settled
(including cashless exercise) or any combination thereof, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended;

(vi) determine whether, to what extent and under what circumstances cash, Shares, other Awards, other property and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee;

(vii) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan;

(viii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan;

(ix) maintain the qualified status of an Incentive Stock Option under Section 422 of the Code; and

(x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) All decisions of the Committee shall be final, conclusive and binding upon all parties, including the Company, its shareholders and Participants and any Beneficiaries thereof.

Section 4. Shares Available for Awards.

(a) Subject to adjustment as provided in Section 4(e) and the increase set forth in Section 4(b), the maximum number of Shares available for issuance under the Plan shall not exceed 7,800,740 Shares (as adjusted and/or increased from time to time in accordance with the terms of this Plan, the “Share Reserve”). Shares underlying Replacement Awards and Shares remaining available for grant under a plan of an acquired company or of a company with which the Company combines (whether by way of amalgamation, merger, sale and purchase of Shares or other securities or otherwise), appropriately adjusted to reflect the acquisition or combination transaction, shall not reduce the number of Shares remaining available for grant under the Share Reserve.

(b) Subject to adjustment as provided in Section 4(e), the Share Reserve will be increased on the first day of each Fiscal Year beginning with the 2022 Fiscal Year, in an amount equal to the least of (i) a number of Shares equal to five percent (5%) of the total number of shares of all classes of shares of the Company outstanding on the last day of the immediately preceding Fiscal Year, (ii) such number of Shares determined by the Board and (iii) the aggregate number of Shares available to the Board that may be granted as, or be subject to, equity incentive awards on such date (be it out of the conditional share capital for employee participations as provided in the Company’s articles of association in effect from time to time (the “Articles of Association”) or from other sources, including treasury shares). To ensure that
a sufficient number of Shares can be added to the Share Reserve in accordance with this Section 4(b), the Company plans to request its shareholders approve annual increases to the Company’s conditional share capital for employee participation.

(c) Subject to adjustment as provided in Section 4(e), the maximum number of Shares available for issuance with respect to Incentive Stock Options shall be 7,800,740 Shares.

(d) Any Shares subject to an Award (other than a Replacement Award and any Award granted out of the authorized Shares of an acquired plan), that expires, is canceled, forfeited or otherwise terminates without the delivery of such Shares, including any Shares subject to such Award to the extent that such Award is settled without the issuance of Shares, shall again be, or shall become, available for issuance under the Share Reserve. Any Shares surrendered or withheld in payment of any grant, acquisition or exercise price of such Award or taxes, duties, social security or other withholdings related to such Award shall become available for issuance under the Share Reserve.

(e) In the event that, as a result of any dividend (other than ordinary cash dividends) or other distribution (whether in the form of cash, Shares or other securities, but other than ordinary cash distributions made in lieu of ordinary cash dividends), recapitalization, share split (share subdivision), reverse share split (share consolidation), reorganization, merger, amalgamation, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, or other similar corporate transaction or event affecting the Shares (but not, for avoidance of doubt, a mere issuance or repurchase of Shares or other securities in exchange for value, including, without limitation, issuance of Shares as compensation for services), or of changes in applicable laws, regulations or accounting principles, an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, subject to Section 17, adjust equitably any or all of:

(i) the number and type of Shares (or other securities) which thereafter may be made the subject of Awards;

(ii) the number and type of Shares (or other securities) subject to outstanding Awards;

(iii) the grant, acquisition, exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; and

(iv) the terms and conditions of any outstanding Awards, including the performance criteria of any Performance Awards;

provided, however, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.
Any Shares delivered pursuant to an Award may consist, in whole or in part, of Shares issued out of the Company’s conditional or authorized share capital or otherwise, or Shares acquired by the Company and/or held as treasury Shares. In its sole discretion, the Company or any of its Subsidiaries or any person appointed by any of them may, in its own name or in the name of a Participant and on behalf of a Participant, subscribe to Shares, pay in the issue price and do any other action to create the Shares or direct the Participant to do so. Any Shares delivered pursuant to an Award shall be issued as fully paid Shares, and the exercise price and/or subscription price per Share pursuant to any Award, if applicable, shall always be at least equal to or greater than the par value per Share. A Participant shall not have any rights as a shareholder of the Company (including as to voting and dividends) until Shares are actually settled and delivered to the Participant and upon entry of the Participant into the share register of the Company as shareholder of such Shares with voting rights.

Section 5. Restricted Shares and RSUs. The Committee is authorized to grant Awards of Restricted Shares and RSUs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

(a) The applicable Award Document shall specify the vesting schedule and, with respect to RSUs, the delivery schedule (which may include deferred delivery later than the vesting date) and whether the Award of Restricted Shares or RSUs is entitled to dividends or dividend equivalents, voting rights or any other rights.

(b) Restricted Shares and RSUs shall be subject to such restrictions as the Committee may impose (including any limitation on the right to vote Restricted Shares or the right to receive any dividend, dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. Without limiting the generality of the foregoing, if the Award relates to Restricted Shares on which dividends are declared during the period that the Award is outstanding, the Award shall not provide for the payment of such dividend (or a dividend equivalent) to the Participant prior to the time at which such Award, or applicable portion thereof, becomes nonforfeitable, unless required by applicable law, or otherwise provided in the applicable Award Document.

(c) Any Restricted Shares granted under the Plan may be evidenced in such manner as the Committee may deem appropriate.

(d) The Committee may determine the methods by which, and the forms in which payment of the amount owing upon settlement of any RSU Award may be made, including cash, Shares, other Awards, other property or any combination thereof (having a Fair Market Value on the settlement date equal to the relevant payment).

Section 6. Options. The Committee is authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine; provided that Incentive Stock Options may be granted only to employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and 424(f) of the Code).
(a) The exercise price per Share under an Option shall be determined by the Committee; provided, however, that, except in the case of Replacement Awards, for U.S. Participants who are Ten Percent Shareholders and are granted an Incentive Stock Option, such exercise price shall not be less than one hundred ten percent (110%) of the Fair Market Value of a Share on the date of grant of such Incentive Stock Option, and for all other U.S. Participants, such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such Option.

(b) The term of each Option shall be fixed by the Committee but shall not exceed 10 years from the date of grant of such Option; provided that the term of each Incentive Stock Option granted to a Ten Percent Shareholder shall not exceed five years from the date of grant of such Incentive Stock Option.

(c) The Committee shall determine the time or times at which an Option may be exercised in whole or in part.

(d) The Committee shall determine the methods by which, and the forms in which payment of the exercise price with respect thereto may be made or deemed to have been made, including by cash, Shares, other Awards, other property or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, or through net settlement (including cashless exercise).

(e) To the extent an Option is not previously exercised as to all of the Shares subject thereto, and, if the Fair Market Value of one Share is greater than the exercise price then in effect, then the Option shall be deemed automatically exercised by cashless exercise or net settlement, immediately before its expiration, unless the Participant has given instruction as to the contrary.

(f) The Committee shall determine the conditions, if any, to vesting of Options granted under the Plan, including, without limitation, any service- or performance-based conditions.

(g) No Option will be eligible for the payment of dividends or dividend equivalents, to the extent such Option is subject to Section 409A or Section 457A of the Code.

(h) The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. To the extent that the aggregate Fair Market Value (determined on the date of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all equity incentive plans of the Company and any of its Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Non-Qualified Stock Options, notwithstanding any contrary provision set forth in the applicable Award Document(s).
Section 7. Share Appreciation Rights. The Committee is authorized to grant SARs to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

(a) SARs may be granted under the Plan to Participants either alone (“freestanding”) or in addition to other Awards granted under the Plan (“tandem”).

(b) The exercise price per Share under a SAR shall be determined by the Committee; provided, however, that, except in the case of Replacement Awards, for U.S. Participants, such exercise price shall not be less than the Fair Market Value of a Share on the date of grant of such SAR (or if granted in connection with an Option, on the grant date of such Option).

(c) The term of each SAR shall be fixed by the Committee but shall not exceed 10 years from the date of grant of such SAR.

(d) The Committee shall determine the time or times at which a SAR may be exercised or settled in whole or in part.

(e) To the extent a SAR is not previously exercised as to all of the Shares subject thereto, and, if the Fair Market Value of one Share is greater than the exercise price then in effect, then the SAR shall be deemed automatically exercised immediately before its expiration.

(f) Upon the exercise of a SAR, the Company shall pay to the Participant an amount equal to the number of Shares subject to the SAR multiplied by the excess, if any, of the Fair Market Value of one Share on the exercise date over the exercise price of such SAR. The Company shall pay such excess in cash, in Shares valued at Fair Market Value, or any combination thereof, as determined by the Committee.

(g) No SAR will be eligible for the payment of dividends or dividend equivalents, to the extent such SAR is subject to Section 409A or Section 457A of the Code.

Section 8. Performance Awards. The Committee is authorized to grant Performance Awards to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of the Plan, as the Committee shall determine.

(a) Performance Awards may be denominated as a cash amount, a number of Shares or a combination thereof and are Awards which may be earned upon achievement or satisfaction of performance conditions specified by the Committee. In addition, the Committee may specify that any other Award shall constitute a Performance Award by conditioning the
right of a Participant to exercise the Award or have it settled, and the timing thereof, upon achievement or satisfaction of such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions. Subject to the terms of the Plan, the performance goals to be achieved during any Performance Period, the length of any Performance Period, the amount of any Performance Award granted and the amount of any payment or transfer to be made pursuant to any Performance Award shall be determined by the Committee. Unless otherwise determined by the Committee, if the Performance Award relates to Shares on which dividends are declared during the Performance Period, the Performance Award shall not provide for the payment of such dividend (or dividend equivalent) to the Participant prior to the time at which such Performance Award, or the applicable portion thereof, is earned.

(b) Performance criteria may be measured on an absolute (e.g., plan or budget) or relative basis, and may be established on a corporate-wide basis, with respect to one or more business units, divisions, Subsidiaries or business segments, or on an individual basis. Relative performance may be measured against a group of peer companies, a financial market index or other objective and quantifiable indices. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which the Company conducts its business, or other events or circumstances render the performance objectives unsuitable, the Committee may modify the minimum level of achievement, in whole or in part, as the Committee deems appropriate and equitable. Performance objectives may be adjusted for material items not originally contemplated in establishing the performance target for items resulting from discontinued operations, extraordinary gains and losses, the effect of changes in accounting standards or principles, acquisitions or divestitures, changes in tax rules or regulations, capital transactions, restructuring, nonrecurring gains or losses or unusual items. Performance measures may vary from Performance Award to Performance Award, and from Participant to Participant, and may be established on a stand-alone basis, in tandem or in the alternative. The Committee shall have the power to impose such other restrictions on Awards subject to this Section 8(b) as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements of any applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations.

(c) Settlement of Performance Awards; Other Terms. Settlement of Performance Awards shall be in cash, Shares, other Awards or other property, by net settlement or any combination thereof, as determined in the discretion of the Committee. Subject to Section 10, Performance Awards will be settled only after the end of the relevant Performance Period. The Committee may, in its discretion, increase or reduce the amount of a settlement otherwise to be made in connection with a Performance Award.

Section 9. Other Share-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares or factors that may influence the value of Shares, including convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, acquisition rights for Shares, Awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Committee. The Committee shall determine the terms and conditions of such Awards.
Section 10. Effect of Termination of Service or a Change in Control on Awards.

(a) The Committee may provide in any Award Document the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of a Participant’s Termination of Service prior to the vesting, exercise or settlement of such Award or the end of a Performance Period.

(b) Unless otherwise provided in the applicable Award Document or determined by the Committee pursuant to Section 10(c), in the event of a Change in Control pursuant to clauses (i), (iii) or (iv) of the definition thereof, each Award that is outstanding as of immediately prior to such Change in Control shall, (i) to the extent not then vested, accelerate and become fully vested (with any Award that is a Performance Award assumed to have achieved the applicable performance criteria at the greater of target and maximum level of performance), and (ii) be cancelled and converted into the right to receive a payment in cash with a value equal to (A) the value of such Award based on the per share value of consideration received or to be received by other shareholders of the Company in such Change in Control, less, (B) if such Award is an Option or a SAR, the applicable exercise price; provided, that, if, as of the date of the Change in Control, the Committee determines that no amount would have been realized upon the settlement or exercise of the Award pursuant to this Section 10(b), then the Award may be cancelled by the Company without payment of consideration.

(c) In the event of a Change in Control, notwithstanding anything to the contrary in the Plan or the applicable Award Document, the Committee, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such Change in Control, may take any one or more of the following actions whenever the Committee determines that such action is appropriate or desirable to facilitate the Change in Control transaction:

(i) to cancel any outstanding Award in exchange for a payment in securities or other property other than cash or any combination thereof with a value equal to the value of such Award based on the per share value of consideration received or to be received by other shareholders of the Company in the Change in Control (and, for the avoidance of doubt, if, as of the date of the Change in Control, the Committee determines that no amount would have been realized upon the exercise of the Award or other realization of the Participant’s rights, then the Award may be cancelled by the Company without payment of consideration);

(ii) to require the exercise of any Option not exercised by the Participant;

(iii) to provide for the assumption, substitution, replacement or continuation of any Award by the successor or surviving corporation (or a parent or Subsidiary thereof) with cash, securities, rights or other property to be paid or issued, as the case may be, by the successor or surviving corporation (or a parent or Subsidiary thereof), and to provide
for appropriate adjustments with respect to the number and type of securities (or other consideration) of the successor or surviving corporation (or a parent or Subsidiary thereof), subject to any replacement awards, the terms and conditions of the replacement awards (including, without limitation, any applicable performance targets or criteria with respect thereto) and the grant, exercise or purchase price per share for the replacement awards;

(iii) to make any other adjustments in the number and type of securities (or other consideration) subject to (a) outstanding Awards and the terms and conditions of such Awards (including the grant or exercise price and performance criteria with respect thereto) and (b) Awards that may be granted in the future;

(iv) to provide that any Award shall be accelerated and become exercisable, payable and/or fully vested with respect to all Shares covered thereby; and

(v) to provide that any Award shall not vest, be exercised or become payable as a result of such Change in Control.

(d) By accepting an Award, each Participant gives a power of attorney to the Company to exercise, sell, assign or otherwise dispose of on behalf of the Participant such Participant’s Award or of the Shares acquired upon the exercise or settlement thereof, in order to comply with and give full force and effect to the provisions of this Section 10, including, without limitation, a Change of Control.


(a) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by applicable law.

(b) Awards may, in the discretion of the Committee, be granted either alone, in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(c) Subject to the terms of the Plan and Section 17, payments or transfers to be made by the Company upon the grant, exercise or settlement of an Award may be made in the form of cash, Shares, other Awards, other property or any combination thereof or through net settlement, as determined by the Committee in its discretion, and may be made in a single payment or transfer, in installments or on a deferred basis, in each case, in accordance with rules and procedures established by the Committee. Such rules and procedures may include provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(d) Except as may be permitted by the Committee or as specifically provided in an Award Document, (i) no Award and no right under any Award shall be assignable,
alienable, saleable or transferable by a Participant other than by will or the laws of descent and distribution or pursuant to Section 11(e) and (ii) during a Participant’s lifetime, each Award, and each right under any Award, shall be exercisable only by the Participant or, if permissible under applicable law, by the Participant’s guardian or legal representative. The provisions of this Section 11(d) shall not apply to any Award that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(e) A Participant may designate a Beneficiary or change a previous Beneficiary designation at such times prescribed by the Committee by using forms and following procedures approved or accepted by the Committee for that purpose.

(f) All certificates, if any, for Shares, and/or other securities delivered under the Plan pursuant to any Award or the exercise or settlement thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, as applicable, any stock market or exchange upon which such Shares or other securities are then quoted, traded or listed, and any applicable securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(g) Without limiting the generality of Section 11(h), the Committee may specify in an Award Document that the Participant’s rights, payments or benefits with respect to an Award are subject to restrictions with respect to noncompetition, nonsolicitation, confidentiality and other restrictive covenants, or requirements to comply with minimum share ownership requirements, as it deems necessary or appropriate in its sole discretion.

(h) The Committee may specify in an Award Document that the Participant’s rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment (“clawback”) upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include (i) a Termination of Service for Cause (and, in the case of any Cause that is resulting from an indictment or other non-final determination, the Committee may provide for such Award to be held in escrow or abeyance until a final resolution of the matters related to such event occurs, at which time the Award shall either be reduced, cancelled or forfeited (as provided in such Award Document) or remain in effect, depending on the outcome), (ii) voluntary Termination of Service without “good reason” (or similar terms) by the Participant (each as defined in the Applicable Award Document or other written agreement with the Participant), (iii) violation of material policies of the Company or any of its Subsidiaries, (iv) other termination of the Participant’s employment or service with the Company or its applicable Subsidiary as a “bad leaver,” (v) breach of noncompetition, nonsolicitation, confidentiality or other restrictive covenants that may apply to the Participant, or (vi) other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Affiliates.

(i) To the extent required by applicable law and the Articles of Association, all Awards and rights, payments and benefits thereunder granted or made to any member of the Board or any member of the Executive Committee are subject to the approval of the relevant
total amount of compensation by the Company’s shareholders. To the extent that any such Awards or rights, payments or benefits are granted or made to any such Participants prior to such shareholder approval, such Awards or rights, payments or benefits shall be subject to the requisite subsequent shareholder approval and shall be subject to repayment to or clawback by the Company if such approval is not obtained. The foregoing shall apply irrespective of any reservation or terms to the contrary set forth in any Award Document.

(j) All rights, payments and benefits under any Award shall be subject to repayment to or clawback by the Company in accordance with such policies and procedures as the Committee or Board may adopt from time to time, but only to the extent that (i) such policies or procedures (A) are necessary to implement applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations or (B) apply in the case of termination of the Participant’s employment for Cause or (ii) the Committee otherwise determines in its reasonable discretion that such a clawback is necessary to satisfy one or more fiduciary obligations to the Company, its Affiliates or their respective shareholders.

Section 12. Amendments and Termination.

(a) Except to the extent prohibited by applicable law and unless otherwise expressly provided in an Award Document or in the Plan, the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided, however, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) shareholder approval, if such approval is required by applicable law or the rules of the stock market or exchange, if any, on which the Shares are principally quoted or traded or (ii) the consent of the affected Participant, if such action would materially adversely affect the rights of such Participant under any outstanding Award, except to the extent any such amendment, alteration, suspension, discontinuance or termination is made to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, or to impose any clawback provisions on any Awards in accordance with Section 11(i), or such affected Participant is appropriately compensated by grants of other Awards or cash payments, to the extent that such compensation is not prohibited by Section 409A or Section 457A of the Code as applicable to U.S. Participants. Notwithstanding anything to the contrary in the Plan, the Committee may amend the Plan or any Award Document in such manner as may be necessary or desirable to enable the Plan or such Award Document to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local laws, rules and regulations to recognize differences in local law, tax policy or custom. The Committee also may impose conditions on the exercise, vesting or settlement of Awards in order to minimize the Company’s obligation with respect to tax equalization for Participants on assignments outside their home country.

(b) The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or Beneficiary of an Award; provided, however, that, subject to Section 4(c) and Section 11(c), no such action shall materially adversely affect the rights of any affected Participant or holder or Beneficiary under any Award theretofore granted under the Plan, except to the extent that (i) any
such action is made (A) to cause the Plan to comply with applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, (B) to impose any clawback provisions on any Awards in accordance with Section 11(i) or (C) made with the consent of the affected Participant; or (ii) the affected Participant is appropriately compensated by grants of other Awards or cash payments for any such adverse effect, to the extent that such compensation is not prohibited by Section 409A or Section 457A of the Code as applicable to U.S. Participants.

(c) Except as provided in Section 8(b), the Committee shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of events (including the events described in Section 4(c)) affecting the Company, or the financial statements of the Company, or of changes in applicable law, stock market or exchange rules and regulations or accounting or tax rules and regulations, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(d) The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

Section 13. Option and SAR Repricing. The Committee may seek to effect any re-pricing of any previously granted “underwater” Option or SAR by: (i) amending or modifying the terms of the Option or SAR to lower the exercise price; (ii) cancelling the underwater Option or SAR and granting either (A) replacement Options or SARs having a lower exercise price or (B) Restricted Shares, RSU, Performance Award or Other Share-Based Award in exchange; or (iii) cancelling or repurchasing the underwater Options or SARs for cash or other securities. An Option or SAR will be deemed to be “underwater” at any time when the Fair Market Value of the Shares covered by such Award is less than the exercise price of the Award.

Section 14. Miscellaneous.

(a) No employee, Participant or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of employees, Participants or holders or Beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient, including as necessary or desirable to recognize differences in local law, tax policy or custom. Any Award granted under the Plan shall be a one-time Award that does not constitute a promise of future grants. The Company, in its sole discretion, maintains the right to make available future grants under the Plan.

(b) No payment pursuant to the Plan shall be taken into account in determining any benefits under any severance, pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Affiliate, except to the extent otherwise expressly provided in writing in such other plan or agreement thereunder.
(c) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ of, or to continue to provide services to, the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss a Participant, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Document or in any other agreement binding the parties. The receipt of any Award under the Plan is not intended to confer any rights on the receiving Participant except as set forth in the applicable Award Document.

(d) Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(e) The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to a Participant, whether in the form of cash, Shares, other Awards, other property or any combination thereof, the amount of applicable taxes, duties, social security or other withholdings for which the Participant is ultimately liable in respect of an Award, its exercise or settlement or any payment or transfer under such Award or under the Plan and to take such other action (including providing for elective payment of such amounts in cash or Shares by the Participant, forfeiting outstanding Awards, net settlement or selling on behalf of the Participant any of the Shares to which he or she is entitled under any Award and retain the sale proceeds) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes, duties, social security or other withholdings. Each Participant shall be responsible for the necessary declarations required under applicable tax laws. The Company and its Affiliates shall have the right to notify the tax authorities of the grant, vesting and settlement of any Award and the exercise of any Option if so required by law.

(f) If any provision of the Plan or any Award Document is, becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award Document, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award Document shall remain in full force and effect.

(g) No Shares shall be issued pursuant to the Plan in the event the Company determines that: (i) it and the Participant have not taken all actions required to register the Shares under the Securities Act and any other applicable securities laws, as may be applicable in the event the Shares are Publicly Listed and there is no exemption from such registration under applicable law; (ii) an applicable listing requirement of any stock exchange on which the Company is listed has not been satisfied; or (iii) another applicable provision of law has not been satisfied.

(h) Each Award Document shall provide that no Shares shall be purchased or sold thereunder unless and until (i) any then applicable requirements of any state or federal laws
and regulatory agencies in any applicable country have been fully complied as required with to the satisfaction of the Company and its counsel and (ii) if required to do so by the Company, the Participant has executed and delivered to the Company a letter of investment intent in such form and containing such provisions as the Committee may require. The Company shall use reasonable efforts to seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell Shares upon the settlement or exercise of the Awards; provided, however, that this undertaking shall not require the Company to register under the Securities Act the Plan, any Award or any Shares issued or issuable pursuant to any such Award. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Shares under the Plan, the Company shall be relieved from any liability for failure to issue and sell Shares upon the settlement or exercise of such Awards unless and until such authority is obtained.

(i) Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(j) No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(k) The Committee may determine that any Award must be held in a restricted depository account as designated by the Committee.

Section 15. Effective Date of the Plan. The Plan, adopted by the Board on June 28, 2021 and approved by shareholders of the Company on June 29, 2021, is contingent upon the effectiveness of the initial registration of the Company’s Shares on Form F-1 with the U.S. Securities and Exchange Commission and shall become effective upon the execution of the underwriting agreement relating to the initial public offering of the Company’s Shares in the United States.

Section 16. Term of the Plan. No Award shall be granted under the Plan after the earliest to occur of (i) the tenth anniversary of the effectiveness of the Plan (the “Plan Expiration Date”); provided that to the extent permitted by the listing rules of any stock exchanges on which the Company is listed, such Plan Expiration Date may be extended indefinitely so long as the maximum number of Shares available for issuance under the Plan have not been issued, (ii) the maximum number of Shares available for issuance under the Plan have been issued or (iii) the Board terminates the Plan in accordance with Section 12(a). However, unless otherwise expressly provided in the Plan or in an applicable Award Document, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.
(a) With respect to Awards made to U.S. Participants, the Plan is intended to comply with the requirements of Section 409A and Section 457A of the Code, and the provisions of the Plan and any Award Document shall be interpreted in a manner that satisfies the requirements of Section 409A and Section 457A of the Code, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. If an amount payable under an Award as a result of the Participant’s Termination of Service (other than due to the Participant’s death) occurring while the Participant is a “specified employee” under Section 409A of the Code constitutes a deferral of compensation subject to Section 409A of the Code, then payment of such amount shall not occur until six months and one day after the date of the Participant’s Termination of Service, except as permitted under Section 409A of the Code. If the Award includes a “series of installment payments” (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant’s right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if the Award includes “dividend equivalents” (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Participant’s right to the dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any Award Document is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A and Section 457A of the Code.

(b) Notwithstanding any provision of the Plan to the contrary or any Award Document, in the event the Committee determines that any Award may be subject to Section 409A or Section 457A of the Code, the Committee may adopt such amendments to the Plan and the applicable Award Document or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (i) exempt the Award from Section 409A or Section 457A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Section 409A or Section 457A and thereby avoid the application of any adverse tax consequences under such Sections.

(c) Notwithstanding any provision of the Plan to the contrary or any Award Document, a Termination of Service shall not deemed to have occurred for purposes of any provision of an Award that is subject to Section 409A providing for payment upon or following a termination of a Participant’s employment or service with the Company or any of its Subsidiaries unless such termination is also a “separation from service” and, for purposes of any such provision of such Award, references to a “termination,” “termination of employment”, “termination of service” or like terms shall mean “separation from service.”
Section 18. Data Protection. The Company holds and processes personal information provided by the Participant, such as name, date of birth, account information, social security number, tax number and contact information, and uses the Participant's personal data within the Company's legitimate business purposes and as necessary for all purposes relating to the operation and performance of the Plan. These are:

(i) administering and maintaining Participant records;

(ii) providing the services described in the Plan;

(iii) providing information to future purchasers or merger partners of the Company or any Affiliate, or the business in which the Participant works; and

(iv) responding to public authorities, court orders and legal investigations, as applicable.

Where required under applicable law, the Company relies on the legal basis of the operation and performance of the Plan and on legitimate interests.

The Company may share the Participant's personal data with (i) Affiliates, (ii) trustees of any employee benefit trust, (iii) registrars, (iv) brokers, (v) third party administrators of the Plan or (vi) regulators and others, as required by law.

If necessary, the Company may transfer the Participant’s personal data to any of the parties mentioned above in any country or territory that may not provide the same protection for the information as the Participant’s home country. Any transfer of the Participant’s personal data from the E.U. to a third country is subject to appropriate safeguards in the form of EU standard contractual clauses (according to decisions 2001/497/EC, 2004/915/EC, 2010/87/EU) or applicable derogations provided for under applicable law.

The Company will keep personal information for as long as necessary to operate the Plan or as necessary to comply with any legal or regulatory requirements.

The Participant has a right to (i) request access to and rectification or erasure of the personal data provided, (ii) request the restriction of the processing of his or her personal data, (iii) object to the processing of his or her personal data, (iv) receive the personal data provided to the Company and transmit such data to another party, and (v) to lodge a complaint with a supervisory authority.

Section 19. Governing Law. The formation, existence, construction, performance, validity and all aspects whatsoever of this Plan and of each Award Document and any Award granted thereunder, including any rights and obligations arising out of or in connection with the same, shall be governed by, and construed in accordance with, the substantive laws of Switzerland (with the exception of the conflict of law rules). The exclusive place of jurisdiction for any dispute, controversy or claim arising out of or in relation with the Plan, Award Document or any Award granted thereunder, including the validity, invalidity, breach, termination or interpretation thereof, shall be Lausanne, Switzerland.
Section 20. Definitions. As used in the Plan, the following terms shall have the meanings set forth below:

(a) “Affiliate” means (i) any entity that, directly or indirectly, is controlled by the Company, (ii) any entity in which the Company, directly or indirectly, has a significant equity interest, in each case as determined by the Committee and (iii) any other entity which the Committee determines should be treated as an “Affiliate.”

(b) “Award” means any Option, SAR, Restricted Share, RSU, Performance Award or Other Share-Based Award granted under the Plan.

(c) “Award Document” means any agreement, contract or other instrument or document, which may be in electronic format, evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Participant.

(d) “Beneficiary” means a person entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant’s death. If no such person is named by a Participant, or if no Beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant’s death, such Participant’s Beneficiary shall be such Participant’s estate.

(e) “Board” means the board of directors of the Company.

(f) “Cause” means, with respect to any Participant, “cause” as defined in such Participant’s employment agreement or other similar agreement or arrangement with the Company or any of its Subsidiaries, if any, or if not so defined, except as otherwise provided in such Participant’s Award Document, such Participant’s:

(i) indictment for any crime (A) constituting a felony, or (B) that has, or could reasonably be expected to result in, an adverse impact on the performance of a Participant’s duties to the Company or any of its Subsidiaries, or otherwise has, or could reasonably be expected to result in, an adverse impact to the business or reputation of the Company or any of its Subsidiaries;

(ii) having been the subject of any order, judicial or administrative, obtained or issued by any securities law regulator (including the U.S. Securities and Exchange Commission) or criminal law enforcement authority, for any securities violation involving fraud, including, for example, any such order consented to by the Participant in which findings of facts or any legal conclusions establishing liability are neither admitted nor denied;
(iii) conduct, in connection with his or her employment or service, which has, or could reasonably be expected to result in, material injury to the business or reputation of the Company or any of its Subsidiaries;

(iv) willful violation of the Company’s code of conduct or other material policies set forth in the manuals or statements of policy of the Company or any of its Subsidiaries;

(v) willful neglect in the performance of a Participant’s duties for the Company or any of its Subsidiaries or willful or repeated failure or refusal to perform such duties; or

(vi) material breach of any applicable employment agreement or other agreement with the Company or any of its Subsidiaries or, if applicable, any other reason or event that qualifies as a valid reason as defined in Article 337 of the Swiss Code of Obligations.

The occurrence of any such event described in clauses (iii) through (vi) that is susceptible to cure or remedy shall not constitute Cause if such Participant cures or remedies such event within 30 days after the Company provides notice to such Participant.

Any determination by the Company or any Subsidiary that the Termination of Service of the Participant was made for Cause (or without Cause) for the purposes of outstanding Awards held by such Participant shall not be determined by, and shall not be prejudicial or effective regarding, any determination of the rights or obligations of the Company, any Subsidiary or the Participant for any other purpose.

(g) “Change in Control” means the occurrence of any one or more of the following events:

(i) a direct or indirect change in ownership or control of the Company effected through one transaction or a series of related transactions within a 12-month period, whereby any Person (or a group of Persons acting in concert) other than (A) any employee plan established by the Company or any of its Subsidiaries, (B) an underwriter temporarily holding securities pursuant to an offering of such securities or (C) a corporation owned, directly or indirectly, by shareholders of the Company in substantially the same proportions as their ownership of the Company, directly or indirectly acquires or maintains beneficial ownership of securities of the Company constituting more than 50% of the total combined voting power of the Company’s equity securities issued and outstanding immediately after such acquisition;

(ii) at any time during a period of 24 consecutive months, individuals who at the beginning of such period constituted the Board cease for any reason to constitute a majority of members of the Board; provided, however, that any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period
or whose election or nomination for election was so approved, shall be considered as though such individual were a member of the Board at the beginning of the period, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) the consummation of a merger, amalgamation or consolidation of the Company or any of its Subsidiaries with any other corporation or entity, other than a merger, amalgamation or consolidation which would result in the voting securities of the Company issued and outstanding immediately prior to such merger, amalgamation or consolidation continuing to represent (either by remaining issued and outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total Fair Market Value of the voting securities of the Company or such surviving entity or parent issued and outstanding immediately after such merger, amalgamation or consolidation; or

(iv) the consummation of any sale, lease, exchange, or other transfer or disposition (including by way of a carve-out or spin-off transaction) to any Person (other than an Affiliate of the Company), in one transaction or a series of related transactions within a 12-month period, of all or substantially all of the assets of the Company and its Subsidiaries.

Notwithstanding the foregoing or any provision of any Award Document to the contrary, for any Award to which Section 17 applies that provides for accelerated distribution on a Change in Control of amounts that constitute “deferred compensation” (as defined in Section 409A and Section 457A of the Code), if the event that constitutes such Change in Control does not also constitute a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets (in either case, as defined in Section 409A and Section 457A of the Code), such amount shall not be distributed on such Change in Control but instead shall vest as of the date of such Change in Control and shall be paid on the scheduled payment date specified in the applicable Award Document, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring any additional tax, penalty, interest or other expense under Section 409A and Section 457A of the Code.

(h) “Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Code shall include any successor provision thereto.

(i) “Committee” means the Compensation Committee of the Board or such other committee as may be designated by the Board, or, at the Board’s discretion with respect to any action, references herein to the “Committee” shall refer to the Board.

(j) “Disability” means, with respect to any Participant, “disability” or the state of being “disabled” as defined in such Participant’s employment agreement or other similar agreement or arrangement with the Company, if any, or if not so defined, except as otherwise
provided in such Participant’s Award Document: (i) the Participant’s disability for purposes of benefits under any long-term disability plan maintained by the Company or any Affiliate in which the Participant participates; or (ii) the Participant’s inability, due to physical or mental incapacity, to perform the essential functions of his or her job, with reasonable accommodation, that endures, or is reasonably expected to endure, for 180 days in any 365-day period.


(l) “Executive Committee” means the company’s executive committee as this term is understood by the Company’s organizational regulations.

(m) “Fair Market Value” means (i) with respect to a Share, the closing price of a Share on the date in question (or, if there is no reported sale on such date, on the last preceding date on which any reported sale occurred) on the principal stock market or exchange on which the Shares are quoted or traded, or if Shares are not so quoted or traded, the fair market value of a Share as determined by the Committee, and (ii) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee.

(n) “Fiscal Year” means the fiscal year of the Company.

(o) “Incentive Stock Option” means an Option that meets the requirements of Section 422 of the Code, granted in accordance with the provisions of Section 6.

(p) “Non-Employee Director” means a member of the Board who is not an employee of the Company or an Affiliate.

(q) “Non-Qualified Stock Option” means an Option that is not an Incentive Stock Option, granted in accordance with the provisions of Section 6.

(r) “Option” means an option representing the right to acquire Shares from the Company in the form of an Incentive Stock Option or a Non-Qualified Stock Option, granted in accordance with the provisions of Section 6.

(s) “Other Share-Based Award” means an Award granted in accordance with the provisions of Section 9.

(t) “Participant” means the recipient of an Award granted under the Plan.

(u) “Performance Award” means an Award granted in accordance with the provisions of Section 8.

(v) “Performance Period” means the period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are measured.
(w) “Person” means a natural person or a partnership, company, association, cooperative, mutual insurance society, foundation or any other body which operates externally as an independent unit or organization.

(x) “Publicly Listed” means, with respect to a security, that such security is publically traded on an established stock exchange or national market system; and, with respect to an entity, that such entity is the issuer of a security that is Publicly Listed.

(y) “Replacement Award” means an Award granted in assumption of, or in substitution for, an outstanding award previously granted by a company or business acquired by the Company or with which the Company, directly or indirectly, combines (whether by way of amalgamation, merger, sale and purchase of Shares or other securities or otherwise).

(z) “Restricted Share” means any Share granted in accordance with the provisions of Section 5.

(aa) “RSU” means a contractual right granted in accordance with the provisions of Section 5 that is denominated in Shares. Each RSU represents a right to receive the value of one Share. Awards of RSUs may include the right to receive dividend equivalents.

(bb) “SAR” means any right granted in accordance with the provisions of Section 7 to receive upon exercise by a Participant or settlement the excess of (i) the Fair Market Value of one Share on the date of exercise or settlement over (ii) the exercise price of the right on the date of grant, or if granted in connection with an Option, on the date of grant of the Option.

(cc) “Securities Act” means the U.S. Securities Act of 1933, as amended from time to time, and the rules, regulations and guidance thereunder. Any reference to a provision in the Securities Act shall include any successor provision thereto.

(dd) “Shares” means ordinary shares, par value CHF 0.05 per share, of the Company.

(ee) “Subsidiary” means any corporation, limited liability company, joint venture or partnership of which the Company (i) directly or indirectly owns more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such entity, (B) the total combined equity interests, or (C) the capital or profit interests, in the case of a partnership; or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

(ff) “Ten Percent Shareholder” means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) Shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any of its Affiliates.

(gg) “Termination of Service” means:
(i) in the case of a Participant who is an employee of the Company or a Subsidiary, cessation of the employment relationship such that the Participant is no longer an employee of the Company or Subsidiary;

(ii) in the case of a Participant who is a Non-Employee Director, the date that the Participant ceases to be a member of the Board for any reason; or

(iii) in the case of a Participant who is a consultant or other advisor, the effective date of the cessation of the performance of services for the Company or any Subsidiary;

provided, however, that in the case of an employee, the transfer of employment from the Company to a Subsidiary, from a Subsidiary to the Company, from one Subsidiary to another Subsidiary or, unless the Committee determines otherwise, the cessation of employee status but the continuation of the performance of services for the Company or a Subsidiary as a member of the Board or a consultant or other advisor shall not be deemed a cessation of service that would constitute a Termination of Service; and provided, further, that a Termination of Service will be deemed to occur for a Participant employed by a Subsidiary when a Subsidiary ceases to be a Subsidiary, unless such Participant’s employment continues with the Company or another Subsidiary.

(hh) “U.S. Participant” mean a Participant who is subject to federal income taxation in the United States.
Ladies and Gentlemen:

We have read the statements contained under the caption “Change in Registrant’s Certifying Accountant” in the Registration Statement on Form F-1 to be filed on July 2, 2021, of SOPHiA GENETICS SA and are in agreement with the statements contained in the first sentence of the first paragraph and the second and third paragraphs therein. We have no basis to agree or disagree with other statements of the registrant contained therein.

/s/ Ernst & Young Ltd
Geneva, Switzerland
### Subsidiaries of SOPHiA GENETICS SA

<table>
<thead>
<tr>
<th>Name of Subsidiary</th>
<th>Jurisdiction of Incorporation</th>
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<tbody>
<tr>
<td>SOPHiA GENETICS, Inc.</td>
<td>Delaware</td>
</tr>
<tr>
<td>SOPHiA GENETICS S.A.S.</td>
<td>France</td>
</tr>
<tr>
<td>SOPHiA GENETICS Limited</td>
<td>England and Wales</td>
</tr>
<tr>
<td>SOPHiA GENETICS Intermediação de Negócios EIRELI</td>
<td>Brazil</td>
</tr>
<tr>
<td>SOPHiA GENETICS PTY LTD</td>
<td>Australia</td>
</tr>
<tr>
<td>SOPHiA GENETICS SRL</td>
<td>Italy</td>
</tr>
</tbody>
</table>
We hereby consent to the use in this Registration Statement on Form F-1 of Sophia Genetics SA of our report dated May 24, 2021, except for the effects of the share split discussed in Note 35 “Significant accounting policies—Basis of preparation—Share split” to the consolidated financial statements, as to which the date is July 2, 2021, relating to the consolidated financial statements of Sophia Genetics SA, which appears in this Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers SA
Lausanne, Switzerland
July 2, 2021