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

FORM 6-K

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

For the month of May 2023.

Commission File Number: 001-40627

SOPHiA GENETICS SA

(Exact name of registrant as specified in its charter)

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

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

Form 20-F ☒ Form 40-F ____

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SOPHiA GENETICS SA

Date: May 9, 2023

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited interim condensed consolidated financial statements as of and for the three months ended May 9, 2023
99.2	Management's discussion and analysis of financial condition and results of operations
99.3	Press Release dated May 9, 2023

Exhibit 99.1

Index to Consolidated Financial Statements

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SOPHiA GENETICS SA

Unaudited Interim Condensed Consolidated Financial Statements

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

	Notes	Three months ended March 31, 2023	Three months ended March 31, 2022
Revenue	**5**	**$ 13,966**	**$ 10,861**
Cost of revenue		(4,272)	(4,151)
Gross profit		**9,694**	**6,710**
Research and development costs		(9,334)	(9,475)
Selling and marketing costs		(6,424)	(7,864)
General and administrative costs		(13,242)	(14,380)
Other operating income (expense), net		19	(12)
Operating loss		**(19,287)**	**(25,021)**
Finance expense, net		(306)	(233)
Loss before income taxes		**(19,593)**	**(25,254)**
Income tax expense		(107)	(233)
Loss for the period		**(19,700)**	**(25,487)**
Attributable to the owners of the parent		**(19,700)**	**(25,487)**
Basic and diluted loss per share	**7**	**$ (0.31)**	**$ (0.40)**

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

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

	Three months ended March 31,	
	2023	**2022**
Loss for the period	**$ (19,700)**	**$ (25,487)**
Other comprehensive income (loss):		
Items that may be reclassified to statement of loss (net of tax)		
Currency translation differences	1,971	(1,961)
Total items that may be reclassified to statement of loss	**1,971**	**(1,961)**
Items that will not be reclassified to statement of loss (net of tax)		
Remeasurement of defined benefit plans	(70)	428
Total items that will not be reclassified to statement of loss	**(70)**	**428**
Other comprehensive income (loss) for the period	**$ 1,901**	**$ (1,533)**
Total comprehensive loss for the period	**$ (17,799)**	**$ (27,020)**
Attributable to owners of the parent	**$ (17,799)**	**$ (27,020)**

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

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

	Notes	March 31, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		$ 160,762	$ 161,305
Term deposits		1,094	17,307
Accounts receivable	**5,6**	10,285	6,649
Inventory		4,052	5,156
Prepaids and other current assets		6,133	5,838
Total current assets		**182,326**	**196,255**
Non-current assets			
Property and equipment		7,414	7,129
Intangible assets		20,798	19,963
Right-of-use assets	**8**	14,851	14,268
Deferred tax assets		1,950	1,940
Other non-current assets		4,719	4,283
Total non-current assets		**49,732**	**47,583**
Total assets		**$ 232,058**	**$ 243,838**
Liabilities and equity			
Current liabilities			
Accounts payable		$ 7,678	$ 6,181
Accrued expenses		10,452	14,505
Deferred contract revenue		8,242	3,434
Lease liabilities, current portion	**8**	2,977	2,690
Total current liabilities		**29,349**	**26,810**
Non-current liabilities			
Lease liabilities, net of current portion	**8**	14,765	14,053
Defined benefit pension liabilities		2,860	2,675
Other non-current liabilities		172	170
Total non-current liabilities		**17,797**	**16,898**
Total liabilities		**47,146**	**43,708**
Equity			
Share capital		3,464	3,464
Share premium		471,771	471,623
Treasury shares		(112)	(117)
Other reserves		28,292	23,963
Accumulated deficit		(318,503)	(298,803)
Total equity		**184,912**	**200,130**
Total liabilities and equity		**$ 232,058**	**$ 243,838**

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

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

	Notes	Share capital	Share premium	Treasury shares	Other reserves	Accumulated deficit	Total
As of January 1, 2023		**$ 3,464**	**$ 471,623**	**$ (117)**	**$ 23,963**	**$ (298,803)**	**$ 200,130**
Loss for the period		—	—	—	—	(19,700)	(19,700)
Other comprehensive income		—	—	—	1,901	—	1,901
Total comprehensive income		**—**	**—**	**—**	**1,901**	**(19,700)**	**(17,799)**
Share-based compensation	**10**	—	—	—	2,430	—	2,430
Transactions with owners							
Vesting of restricted stock units		—	—	2	(2)	—	—
Exercise of share options		—	148	3	—	—	151
As of March 31, 2023		**$ 3,464**	**$ 471,771**	**$ (112)**	**$ 28,292**	**$ (318,503)**	**$ 184,912**

	Notes	Share capital	Share premium	Treasury Shares	Other reserves	Accumulated deficit	Total
As of January 1, 2022		**$ 3,328**	**$ 470,887**	**$ —**	**$ 12,539**	**$ (211,354)**	**$ 275,400**
Loss for the period		—	—	—	—	(25,487)	(25,487)
Other comprehensive loss		—	—	—	(1,533)	—	(1,533)
Total comprehensive loss		**—**	**—**	**—**	**(1,533)**	**(25,487)**	**(27,020)**
Share-based compensation	**10**	—	—	—	3,471	—	**3,471**
Transactions with owners							
Issuance of shares to be held as treasury shares		136	—	(136)	—	—	—
Exercise of share options		—	56	3	—	—	59
As of March 31, 2022		**$ 3,464**	**$ 470,943**	**$ (133)**	**$ 14,477**	**$ (236,841)**	**$ 251,910**

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

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

	Notes	Three months ended March 31, 2023	Three months ended March 31, 2022
Operating activities			
Loss before tax		$ (19,593)	$ (25,254)
Adjustments for non-monetary items			
Depreciation		1,284	833
Amortization		606	355
Finance expense, net		169	166
Expected credit loss allowance	**6**	638	(59)
Share-based compensation	**10**	2,430	3,471
Movements in provisions, pensions, and government grants		349	196
Research tax credit		(451)	(405)
Working capital changes			
Increase in accounts receivable		(3,169)	(2)
(Increase) Decrease in prepaids and other assets		(859)	596
Decrease in inventory		876	617
Increase in accounts payables, accrued expenses, deferred contract revenue, and other liabilities		2,062	2,140
Cash used in operating activities		**(15,658)**	**(17,346)**
Income tax paid		(121)	—
Interest paid		(5)	(69)
Interest received		995	16
Net cash flows used in operating activities		**(14,789)**	**(17,399)**
Investing activities			
Purchase of property and equipment		(508)	(561)
Acquisition of intangible assets		(284)	(334)
Capitalized development costs		(935)	(1,213)
Proceeds upon maturity of term deposits		16,213	21,646
Purchase of term deposits		—	(10,824)
Net cash flow provided from investing activities		**14,486**	**8,714**
Financing activities			
Proceeds from exercise of share options		151	59
Payments of principal portion of lease liabilities		(1,086)	(470)
Net cash flow used in financing activities		**(935)**	**(411)**
Decrease in cash and cash equivalents		**(1,238)**	**(9,096)**
Effect of exchange differences on cash balances		695	(953)
Cash and cash equivalents at beginning of the year		161,305	192,962
Cash and cash equivalents at end of the period		**$ 160,762**	**$ 182,913**

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

SOPHiA GENETICS SA, Saint-Sulpice
Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Company information

General information

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

As of March 31, 2023, the Company had the following wholly owned subsidiaries:

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

All intercompany transactions and balances have been eliminated in consolidation.

The Company's Board of Directors approved the issue of the unaudited interim condensed consolidated financial statements on May 9, 2023.

Basis of preparation

Compliance with International Financial Reporting Standards

These unaudited interim condensed consolidated financial statements, as of and for the three months ended March 31, 2023, of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting ("IAS 34")* as issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2022.

Accounting policies

The significant accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements as of and for the year ended December 31, 2022, and have been consistently applied, unless otherwise stated. Where expense is definitively calculated only on an annual basis, as is the case for income taxes and pension costs, appropriate estimates are made for interim reporting periods.

Income tax expense

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

Post-employment defined benefit plan expense

Post-employment defined benefit plan expense in interim reporting periods is recognized on the basis of the current year cost estimate made by the actuaries in their annual report as of the end of the preceding year. Potential remeasurement gains or losses from the defined benefits plan are estimated based on the relevant indexes at the end of the reporting period and recorded in the Company's statements of comprehensive loss.

Designated cash

In July 2021, the Company designated $30 million to a separate bank account to be used exclusively to settle potential liabilities arising from claims against Directors and Officers covered under the Company's Directors and Officers Insurances Policy ("D&O Policy"). Setting up the designated account has significantly reduced the premiums associated with the D&O Policy. The Company expects to continue to designate this cash balance for this sole use under the current D&O Policy.

Recent new accounting standards, amendments to standards, and interpretations

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

There are no new IFRS standards, amendments or interpretations that are mandatory as of January 1, 2023 that are relevant to the Company.

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

In January 2020, IASB issued amendments to paragraphs 69 to 76 of IAS 1, *Presentation of Financial Statements ("IAS 1")*, to specify the requirements for classifying liabilities as current or non-current, effective for annual reporting periods beginning on or after January 1, 2024. The Company expects the amendment to have an immaterial impact on the financial statements.

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

Critical estimates and judgement

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

Going concern basis

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

Translation of foreign currency

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

Historical cost convention

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

Issued share capital

As of March 31, 2023, the Company had issued 66,398,164 shares, of which 64,325,464 are outstanding, and 2,072,700 are held by the Company as treasury shares. As of March 31, 2022, the Company had issued 66,398,164 shares, of which 63,915,614 are outstanding, and 2,483,000 were held by the Company as treasury shares.

Treasury shares

During the first quarter of 2022, the Company issued 2,540,560 common share options to SOPHiA GENETICS LTD pursuant to a share delivery and repurchase agreement, which were immediately exercised, and repurchased the shares to hold as treasury shares for the purposes of administering the Company's equity incentive programs. As of March 31, 2023, the Company held 2,072,700 treasury shares. As of March 31, 2022, the Company held 2,483,000 treasury shares.

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

2. Fair Value

As of March 31, 2023, 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
- Accounts receivable
- Other non-current assets—lease deposits and lease receivable

Financial liabilities

- Accounts payable
- Accrued liabilities

In the three months ended March 31, 2023, there were no significant changes in the business or economic circumstances that affected the fair value of the Company's financial assets and financial liabilities.

3. Financial Risk Management

In the course of its business, the Company is exposed to a number of financial risks including credit and counterparty risk, funding and liquidity risk and market risk (i.e. foreign currency risk and interest rate risk). The unaudited interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's consolidated financial statements as of December 31, 2022. There have been no significant changes in financial risk management since year-end.

4. Segment Reporting

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

5. Revenue

Disaggregated revenue

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

	Three months ended March 31,	
	2023	**2022**
EMEA	$ 10,107	$ 8,075
NORAM	2,176	1,635
LATAM	976	673
APAC	707	478
Total revenue	**$ 13,966**	**$ 10,861**

Revenue streams

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

	Three months ended March 31,	
	2023	**2022**
SOPHiA DDM Platform	$ 13,749	$ 10,431
Workflow equipment and services	217	430
Total revenue	**$ 13,966**	**$ 10,861**

Contract assets and liabilities

The timing of revenue recognition and billings can result in accrued contract revenue, which are presented within accounts receivable in the unaudited interim condensed consolidated balance sheet.

Accrued contract revenue

Accrued contract revenue is related to unbilled revenue for which performance obligations are satisfied prior to being due and are recorded in accounts receivable. As of March 31, 2023, and December 31, 2022, accrued contract revenue was $4.2 million and $1.5 million, respectively. The Company recorded no loss allowance related to the accrued contract revenue as of March 31, 2023 and December 31, 2022.

6. Accounts receivable

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

	March 31, 2023	December 31, 2022
Accounts receivable	$ 7,696	$ 6,060
Accrued contract revenue	4,149	1,499
Lease receivable	171	185
Allowance for expected credit losses	(1,731)	(1,095)
Net accounts receivable	**$ 10,285**	**$ 6,649**

The Company records increases to, reversals of, and write-offs of the allowance for expected credit losses as “Selling and Marketing” expenses within its condensed consolidated statements of profit and loss.The following table provides a roll-forward of the allowance for expected credit losses for the three months ended March 31, 2023 and 2022, that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected (in USD thousands):

	2023	2022
As of January 1	**$ 1,095**	**$ 1,676**
Increase	658	60
Reversals	—	(119)
Write-off	(20)	—
Currency translation differences	(2)	(22)
As of March 31	**$ 1,731**	**$ 1,595**

As of March 31, 2023 and December 31, 2022, the Company’s largest customer’s balance represented 7% and 15% of accounts receivable, respectively. All customer balances that individually exceeded 1% of accounts receivable in aggregate amounted to $4.3 million and $5.4 million as of March 31, 2023 and December 31, 2022, respectively.

7. Loss per share

The Company’s shares comprised of ordinary shares. Each share has a nominal value of $0.05 (CHF 0.05). The basic loss per share is calculated by dividing the net loss attributable to shareholders by the weighted average number of shares in issue during the period excluding treasury shares, which are shares owned by the Company. The table presents the loss for three March 31, 2023 and 2022, respectively (in USD thousands, except shares and loss per share):

	Three months ended March 31,	
	2023	2022
Net loss attributed to shareholders	$ (19,700)	$ (25,487)
Weighted average number of shares in issue	64,242,871	63,891,630
Basic and diluted loss per share	**$ (0.31)**	**$ (0.40)**

For the three months ended March 31, 2023 and 2022, the potential impact, on the calculation of loss per share, of the existing potential ordinary shares related to the share option plans is not presented, as the impact would be to dilute a loss, which causes them to be deemed “non-dilutive” for the purposes of the required disclosure.

8. Leases

Rolle office

On January 25, 2022, the Company entered into an amendment to the lease for office space in Rolle, Switzerland. The amendment provides the Company with an additional floor of approximately 21,258 square feet with lease commencement initiating on April 1, 2022. Upon commencement of the lease, the Company recorded a right-of-use asset of $4.5 million and a lease liability of $4.5 million.

9. Borrowings

Revolving credit facility

On June 21, 2022 the Company entered into a credit agreement (“the Credit Facility”) with Credit Suisse SA for up to CHF 5.0 million. Borrowings under the credit facility will bear interest at a rate to be established between the Company and Credit Suisse SA at the time of each draw down. Borrowings under the Credit Facility have no restrictions related to its use. As of March 31, 2023, the Company had no borrowings outstanding under the Credit Facility.

10. Share-based compensation

Stock Options

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

	Three months ended March 31,	
	2023	**2022**
Research and development	$ 547	$ 385
Sales and marketing	(117)	390
General and administrative	2,000	2,696
Total	**2,430**	**3,471**

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 are comprised of six Executive Officers and Directors and seven Non-Executive Directors as of March 31, 2023. Key management personnel were comprised of six Executive Officers and Directors and six Non-Executive Directors as of March 31, 2022.

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

	Three months ended March 31,	
	2023	**2022**
Salaries and other short-term employee benefits	$ 551	$ 553
Pension costs	52	50
Share-based compensation expense	1,720	1,900
Other compensation	116	17
Total	**$ 2,439**	**$ 2,520**

12. Events after the reporting date

The Company has evaluated, for potential recognition and disclosure, events that occurred prior to the date at which the unaudited interim condensed consolidated financial statements were available to be issued. There were no material subsequent events.

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our interim condensed consolidated financial statements and the related notes included as Exhibit 99.1 to the Report on Form 6-K to which this discussion and analysis is included as Exhibit 99.2 and our audited financial statements and the related notes and the section "Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the year ended December 31, 2022.

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

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

Cautionary Statement Regarding Forward-Looking Statements

This discussion and analysis contain statements that constitute forward-looking statements. All statements other than statements of historical facts, including statements regarding our future results of operations and financial position, business strategy, technology, as well as plans and objectives of management for future operations are forward-looking statements. Many forward-looking statements can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate," "will" and "potential," among others. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in the "Risk Factors" section of our Annual Report on Form 20-F for the year ended December 31, 2022 and in our other Securities and Exchange Commission ("SEC") filings. These forward-looking statements include, among others:

- our expectations regarding our revenue, gross margin, expenses, and other operating results, including statements relating to the portion of our remaining performance obligation that we expect to recognize as revenue in future periods;
- our plans regarding further development of our SOPHiA DDM™ Platform and related products and solutions, which we collectively refer to as "SOPHiA DDM Platform," and its expansion into additional features, applications and data modalities;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements, future revenues, expenses, reimbursement rates and needs for additional financing;
- our expectations regarding the market size for our platform, applications, products, and services and the market acceptance they will be able to achieve;
- our expectations regarding changes in the healthcare systems in different jurisdictions, in particular with respect to the manner in which electronic health records are collected, distributed and accessed by various stakeholders;
- the timing or outcome of any domestic and international regulatory submissions;

- impact from future regulatory, judicial, and legislative changes or developments in the United States and foreign countries;
- our ability to acquire new customers and successfully engage and retain customers;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- our ability to increase demand for our applications, products, and services, obtain favorable coverage and reimbursement determinations from third-party payors and expand geographically;
- our expectations of the reliability, accuracy and performance of our applications, products, and services, as well as expectations of the benefits to patients, medical personnel and providers of our applications, products and services;
- our expectations regarding our ability, and that of our manufacturers, to manufacture our products;
- our efforts to successfully develop and commercialize our applications, products, and services;
- our competitive position and the development of and projections relating to our competitors or our industry;
- our ability to identify and successfully enter into strategic collaborations in the future, and our assumptions regarding any potential revenue that we may generate thereunder;
- our ability to obtain, maintain, protect and enforce intellectual property protection for our technology, applications, products, and services, and the scope of such protection;
- our ability to operate our business without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties;
- our ability to attract and retain qualified key management and technical personnel; and
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart our Business Startups Act of 2012 (“JOBS Act”) and a foreign private issuer.

These forward-looking statements speak only as of the date of this discussion and analysis and are subject to a number of risks, uncertainties and assumptions described in the “Risk Factors” section of our Annual Form 20-F for the year ended December 31, 2022, this discussion and analysis and our other SEC filings. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise. You should read this discussion and analysis completely and with the understanding that our actual future results may be materially different from what we expect.

Overview

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

In 2014, we launched the first application of our platform to analyze next-generation sequencing ("NGS") data for cancer diagnosis. We offer a broad range of applications used by healthcare providers, clinical and life sciences research laboratories and biopharmaceutical companies for precision medicine across oncology, rare diseases, infectious diseases, cardiology, neurology, metabolism and other disease areas. In 2019, we launched our solution for radiomics data that enables longitudinal monitoring of cancer patients and tumor progression throughout their disease journey. In 2022, we unveiled SOPHiA CarePath, a new multimodal module on our SOPHiA DDM Platform powered by our artificial intelligence and machine learning algorithms. The module will allow healthcare practitioners to visualize data across multiple modalities (including genomic, radiomic, clinical, and biological) for individual patients in a longitudinal manner and derive additional insights through cohort design and comparison. SOPHiA CarePath has already been deployed as part of our Deep-Lung IV multimodal clinical study on non-small cell lung cancer. We plan to integrate our radiomics solutions into SOPHiA CarePath.

We offer a range of platform access models to meet our customers' needs. Our primary pricing strategy for our clinical customers is a pay-per-use model, in which customers can access our platform free of charge but pay for each analysis performed using our platform. To commercialize our applications and products, we employ our direct sales force, use local distributors and form collaborations with other global product and service providers in the healthcare ecosystem to assemble solutions to address customer needs. For example, we combine our solution and applications with other products used in the genomic testing process to provide customers integrated products in the testing workflow. As of March 31, 2023, our direct sales team consisted of more than 93 field-based commercial representatives.

Recent Developments

Continued Focus on Strategic Partnerships and Transactions

We are continually developing strategic relationships and engaging in strategic transactions across the healthcare ecosystem with companies who also provide products and services to our customers. For example, we recently announced our partnership with Agilent to integrate the SOPHiA DDM Platform with Agilent's Research Use Only SureSelect Cancer Comprehensive Genomic Profiling ("CGP") Assay Kit.

Key Operating Performance Indicators

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

Our Core Genomics Customers can access our platform using three different models: dry lab access, bundle access and integrated access. In the dry lab access model, our customers use the testing instruments and solutions of their choice and our SOPHiA DDM Platform and algorithms for variant detection and identification. In the bundle access model, we bundle DNA enrichment solutions with our analytics solution to provide customers the ability to perform end-to-end workflows. In the integrated access model, our customers have their samples processed and sequenced through select SOPHiA DDM Platform collaborators within our clinical network and access their data through our SOPHiA DDM Platform. As used in this section, the term "Core Genomics Customer" refers to any customer who accesses our SOPHiA DDM Platform through the dry lab, bundle, or integrated access models. We exclude from this definition customers who only use Alamut through our SOPHiA DDM Platform.

We are continually refining our KPIs. Historically, we had disclosed key performance indicators using Recurring Platform Customers, which constituted customers who had accessed our SOPHiA DDM Platform through only the dry lab and bundle models, as those customers typically exhibit more consistent consumption behavior.

However, through the versatility of our Platform and solutions, we have been able to help many of our integrated customers bring NGS capabilities in-house and convert them into bundle access and dry lab customers. Therefore, we now disclose Core Genomics Customers, which we believe reflect the impact of customers who access and drive analysis volume through our SOPHiA DDM Platform as our Platform continues to evolve. We have adjusted prior year KPIs below to reflect the change in customer segmentation and analyses. As our business continues to evolve and we make revisions to our methodologies to calculate the number of customers, we may make further adjustments to our historical performance indicators.

Platform Analysis Volume

The following table shows platform analysis volume for the three months ended March 31, 2023 and 2022:

	Three months ended March 31,	
	2023	**2022**
SOPHiA DDM Platform analysis volume	77,819	65,694

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

Analysis volume increased to 77,819 from 65,694 for the three months ended March 31, 2023, representing an increase of 18% year-over year growth. The year-over-year growth for the three months ended March 31, 2023 was attributable to growth in our core platform analysis volume, partially offset by the continued decline of our COVID-19-related analysis volume. The increase in our core platform was driven by the increased usage from our existing customer base as well as contributions from new customers we brought into routine usage in 2022.

Total Core Genomics Customers

The following table shows the change in the number of existing Core Genomics Customers, as of March 31, 2023 and 2022, new Core Genomics Customers that went into routine usage during the three months ended March 31, 2023 and 2022, and the total number of Core Genomics Customers as of March 31, 2023 and 2022:

	As of March 31,	
	2023	**2022**
Existing Core Genomics Customers	423	411
New Core Genomics Customers	14	15
Total Core Genomics Customers	**437**	**426**

We track the number of our Core Genomics Customers, defined as the number of customers who generated revenue through our usage of our bundle access, dry lab, and integrated access models during the specified time period, as a key measure of our ability to generate recurring revenue from our install base. We further define our Core Genomics Customers as “Existing” or “New” Core Genomics Customers based on the year in which they first accessed our SOPHiA DDM Platform and generated revenue for us.

The analysis excludes customers without any usage of our SOPHiA DDM Platform over the past twelve months and customers who have executed agreements with us that have not generated any revenue to us, including customers that are in the process of being onboarded onto our SOPHiA DDM Platform.

Total Core Genomics Customers increased to 437 as of March 31, 2023 from 426 as of March 31, 2022. The increase is primarily attributable to our continued customer acquisition momentum over the course of the intervening period net of churn.

Net Dollar Retention (NDR)

The following table shows the net dollar retention as of March 31, 2023 and 2022:

	As of March 31,	
	2023	**2022**
Net dollar retention (NDR)	107 %	141 %

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

Net dollar retention decreased to 107% as of March 31, 2023 from 141% as of March 31, 2022. The year-over-year decrease in revenue growth momentum is attributable to unfavorable foreign exchange movements for revenue generated in key transactional currencies other than the U.S. dollar, particularly the euro, the Swiss franc, and the Turkish lira; an annualized revenue churn rate of 4%; and a decrease in COVID-19-related revenues. Net dollar retention had also reached a historical high in 2021 into the first half of 2022, as there was sizeable pent up demand across our customer base as a result of the pandemic, which led to significant revenue growth momentum in 2021 and into early 2022 and a higher baseline of comparison relative to the trailing twelve-month revenue as of March 31, 2023, which impacted growth as customer demand normalized.

Components of Results of Operations

For a discussion of our components of results of operations, see the “Operating and Financial Review and Prospects—Operating Results—Components of Results of Operations” section of our Annual Report on Form 20-F for the year ended December 31, 2022.

Results of Operations

Comparison of the Three Months Ended March 31, 2023 and March 31, 2022

The following table summarizes our results of operations for the three months ended March 31, 2023 and March 31, 2022

	Three months ended March 31,		Change	
(Amounts in USD thousands, except %)	**2023**	**2022**	**$**	**%**
Revenue	**$ 13,966**	**$ 10,861**	**$ 3,105**	**29 %**
Cost of revenue	(4,272)	(4,151)	(121)	3 %
Gross profit	**9,694**	**6,710**	**2,984**	**44 %**
Research and development costs	(9,334)	(9,475)	141	(1)%
Selling and marketing costs	(6,424)	(7,864)	1,440	(18)%
General and administrative costs	(13,242)	(14,380)	1,138	(8)%
Other operating income (expense), net	19	(12)	31	(258)%
Operating loss	**(19,287)**	**(25,021)**	**5,734**	**(23)%**
Finance expense, net	(306)	(233)	(73)	31 %
Loss before income taxes	**(19,593)**	**(25,254)**	**5,661**	**(22)%**
Income tax expense	(107)	(233)	126	(54)%
Loss for the period	**$ (19,700)**	**$ (25,487)**	**$ 5,787**	**(23)%**

Revenue

The following table presents revenue by stream:

	Three months ended March 31,		Change	
(Amounts in USD thousands, except %)	**2023**	**2022**	**$**	**%**
SOPHiA DDM Platform	$ 13,749	$ 10,431	$ 3,318	32 %
Workflow equipment and services	217	430	(213)	(50)%
Total revenue	**$ 13,966**	**$ 10,861**	**$ 3,105**	**29 %**

Revenue was $14.0 million for the three months ended March 31, 2023 as compared to $10.9 million for the three months ended March 31, 2022. This increase was primarily attributable to an increase in SOPHiA DDM Platform revenue, partially offset by $0.6 million in foreign exchange impact in the first quarter of 2023 related to unfavorable movements in exchange rates between key transactional currencies, particularly the euro and the Turkish lira, and our reporting currency, the U.S. dollar. SOPHiA DDM Platform revenue was $13.7 million for the three months ended March 31, 2023 as compared to $10.4 million for the three months ended March 31, 2022. This increase was primarily attributable to new customers onboarded onto our platform and improved usage rates across our existing customers, partially offset by unfavorable movements in exchange rates between key transactional currencies, particularly the euro and the Turkish lira, and the U.S. dollar. Workflow equipment and services revenue was $0.2 million for the three months ended March 31, 2023 as compared to

$0.4 million for the three months ended March 31, 2022. This decrease was related to the sale of an automation solution, which occurred in the three months ended March 31, 2022.

Cost of Revenue

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

	Three months ended March 31,		Change	
(Amounts in USD thousands, except %)	2023	2022	$	%
Cost of revenue	$ (4,272)	$ (4,151)	$ (121)	3 %
Gross profit	$ 9,694	$ 6,710	$ 2,984	44 %
Gross margin	69%	62%		

Cost of revenue was $4.3 million for the three months ended March 31, 2023 as compared to $4.2 million for the three months ended March 31, 2022. This slight increase was primarily attributable to a slight increase material costs related to our bundle chemistry in line with revenue growth and amortization of capitalized development expenses, partially offset by a decrease in computational and storage-related costs and labor expenses. The increase in gross profit margin to 69% for the three months ended March 31, 2023 as compared to 62% for the three months ended March 31, 2022 was due to benefits from economies of scale achieved with regards to our computational and storage-related costs.

Operating Expenses

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

	Three months ended March 31,		Change	
(Amounts in USD thousands, except %)	**2023**	**2022**	**$**	**%**
Research and development costs	$ (9,334)	$ (9,475)	$ 141	(1)%
Selling and marketing costs	(6,424)	(7,864)	1,440	(18)%
General and administrative costs	(13,242)	(14,380)	1,138	(8)%
Other operating income (expense), net	19	(12)	31	(258)%
Total operating expenses	**$ (28,981)**	**$ (31,731)**	**$ 2,750**	**(9)%**

Research and Development Costs

Research and development ("R&D") costs were $9.3 million for the three months ended March 31, 2023 as compared to $9.5 million for the three months ended March 31, 2022. This decrease was primarily attributable to a slight decrease in employee-related expenses of $0.8 million, as we implemented initiatives to improve productivity, and a decrease in R&D supplies and equipment expenses of $1.1 million, partially offset by an increase of $1.1 million in professional services-related expenses and a slight decrease in capitalized research and development expenses of $0.3 million.

Selling and Marketing Costs

Selling and marketing costs were $6.4 million for the three months ended March 31, 2023 as compared to $7.9 million for the three months ended March 31, 2022. This decrease was primarily attributable to a $2.0 million decrease in employee-related expenses, as we implemented initiatives to improve productivity, and forfeiture of share-based compensation from departing employees, partially offset by a $0.6 million increase in our provision for doubtful accounts.

General and Administrative Costs

General and administrative costs were $13.2 million for three months ended March 31, 2023 as compared to $14.4 million for the three months ended March 31, 2022. This decrease was primarily attributable to a decrease of $1.3 million in professional services fees and a $0.8 million decrease in office-related expenses, partially offset by an increase in employee-related expenses of $0.9 million due to a reallocation of headcount to general and administrative functions.

Other Operating Income (Expense), Net

Other operating income (expense), net was income of less than $0.1 million for the three months ended March 31, 2023 as compared to an expense of less than $0.1 million for the three months ended March 31, 2022.

Finance Expense, Net

The following presents the finance expense, net:

	Three months ended March 31,		Change	
(Amounts in USD thousands, except %)	**2023**	**2022**	**$**	**%**
Finance expense, net	$ (306)	$ (233)	$ (73)	31 %

Finance expense, net was $0.3 million for the three months ended March 31, 2023 as compared to $0.2 million for the three months ended March 31, 2022. The slight increase in expense was primarily attributable to a $1.1 million increase in net foreign exchange losses, partially offset by a $1.0 million increase in net interest income.

Income Tax Expense

The following table presents the income tax expense:

	Three months ended March 31,		Change	
(Amounts in USD thousands, except %)	**2023**	**2022**	**$**	**%**
Income tax expense	$ (107)	$ (233)	$ 126	(54)%

Income tax expense was $0.1 million for the three months ended March 31, 2023 as compared to a tax expense of $0.2 million for the three months ended March 31, 2022. The slight decrease in tax expense was primarily attributable to tax benefits in our subsidiaries and the reduction of uncertain tax positions.

Liquidity and Capital Resources

Sources of Capital Resources

Our principal sources of liquidity were cash and cash equivalents totaling $160.8 million and $161.3 million as of March 31, 2023 and December 31, 2022, respectively, which were held for a variety of growth initiatives and investments in our SOPHiA DDM Platform and related solutions, products and services as well as working capital purposes. Our cash and cash equivalents are comprised of bank and short-term deposits with maturities up to three months. Separately, we held term deposits with maturities between three and twelve months totaling $1.1 million and $17.3 million as of March 31, 2023 and December 31, 2022, respectively.

On June 21, 2022, we entered into a credit agreement (the “Credit Facility”) with Credit Suisse SA for up to CHF 5.0 million. Borrowings under the credit facility will bear interest at a rate to be established between us and Credit Suisse SA at the time of each draw down. Borrowings under the Credit Facility have no restrictions related to its use. As of March 31, 2023, we had no borrowings outstanding under the Credit Facility.

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 DDM Platform and related licenses and services. Invoices for our products and services are a substantial source of revenue for our business, which are included on our consolidated balance sheet as trade receivables prior to collection. Accordingly, collections from our customers have a material impact on our cash flows from operating activities. As we expect our revenue to grow, we also expect our accounts receivable and inventory balances to increase, which could result in greater working capital requirements.

Operating Capital Requirements

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

Based on our current business plan, we believe that our existing cash and cash equivalents and forecasted revenues will enable us to fund our operating expenses and capital expenditure requirements into 2025. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, which are outlined in our Annual Report on Form 20-F for the year ended December 31, 2022 and our subsequent filings with the SEC.

Cash Flows

The following table summarizes our cash flows for three months ended March 31, 2023 and 2022:

	Three months ended March 31,	
(Amounts in USD thousands)	**2023**	**2022**
Net cash provided by/(used in):		
Operating activities	$ (14,789)	$ (17,399)
Investing activities	14,486	8,714
Financing activities	(935)	(411)
Net decrease in cash and cash equivalents	**$ (1,238)**	**$ (9,096)**
Effect of exchange rate differences on cash and cash equivalents	$ 695	$ (953)

Operating Activities

For the three months ended March 31, 2023, net cash used in operating activities was $14.8 million, primarily attributable to our loss for the period of $19.7 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA DDM Platform, partially offset by $2.4 million of non-cash share-based compensation expense and a $1.1 million increase in working capital.

For the three months ended March 31, 2022, net cash used in operating activities was $17.4 million, primarily attributable to our loss for the period of $25.5 million, which was reflective of our continued research and development of and commercialization activities for our SOPHiA DDM Platform, partially offset by $3.5 million of non-cash share-based compensation expense.

Investing Activities

For the three months ended March 31, 2023, net cash provided from investing activities was $14.5 million, primarily attributable to the maturity of $16.2 million of term deposits, partially offset by $0.9 million of capitalized development costs.

For the three months ended March 31, 2022, net cash provided from investing activities was $8.7 million, primarily attributable to the maturity of $21.6 million of term deposits, partially offset by $10.8 million of reinvestment in term deposits and $1.2 million of capitalized development costs.

Financing Activities

For the three months ended March 31, 2023, net cash used in financing activities was $0.9 million, primarily attributable to rent payments on our office facilities in Rolle, St. Sulpice, and Boston.

For the three months ended March 31, 2022, net cash used in financing activities was $0.4 million, primarily attributable to rent payments on our office facilities in Rolle, St. Sulpice, and Boston.

Contractual Obligations and Other Commitments

As of March 31, 2023, there have been no other material changes to our contractual obligations and commitments from those described in the "Operating and Financial Review and Prospects" section of our Annual Report on Form 20-F for the year ended December 31, 2022.

Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting during the three months ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Off-Balance Sheet Arrangements

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

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We had cash and cash equivalents totaling $160.8 million as of March 31, 2023, which are comprised of cash and short-term deposits with maturities up to three months. We also had term deposits totaling $1.1 million as of March 31, 2023. Our cash equivalents are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Due in part to these factors, our future investment income may fall short of expectation due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates.

As we currently do not have any outstanding debt, we are not subject to interest rate risk related to debt obligations.

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

Foreign Exchange Risk

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

We do not believe that there have been material changes in our foreign exchange risk exposure from the disclosure included in the "Item 11. Quantitative and Qualitative Disclosures About Market Risk" section of our Annual Report on Form 20-F for the year ended December 31, 2022.

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 7% of trade and other receivables as of March 31, 2023, which is attributable to our largest biopharma customer, which utilizes a multitude of our services offered to our biopharma customers. The biopharma customer has a strong payment history and is in good standing with us. Our cash and cash equivalents are deposited with reputable financial institutions. If customers representing a significant percentage of our trade receivables are unable to meet their payment obligations to us, we may suffer harm to our business, financial condition or results of operations.

Inflation Risk

We believe our business is able to pass along increases in the costs of providing our products and services caused by inflation by increasing the prices of our products and services. For multi-year contracts, our general terms and conditions allow us to increase prices, at minimum on an annual basis. However, we do not believe that inflation had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition or results of operations.

Critical Accounting Policies and Significant Judgments and Estimates

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

Our critical accounting policies and significant estimates that involve a higher degree of judgment and complexity are described in the “Item 5. Operating and Financial Review and Prospects—E. Critical Accounting Estimates” section of our Annual Report on Form 20-F for the year ended December 31, 2022. There have been no material changes to our critical accounting policies and estimates as disclosed therein, with the exception of our adoption of recent accounting pronouncements, as discussed below.

Recent Accounting Pronouncements

In connection with our adoption of IFRS for the preparation of our financial statements, certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2022 reporting periods and have not been adopted early by us. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. See Note 2 to the audited condensed consolidated financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2022 and Note 1 of our unaudited interim condensed consolidated financial statements included as Exhibit 99.1 to the Report on Form 6-K to which this discussion and analysis is included as Exhibit 99.2.

Emerging Growth Company Status

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

Subject to certain conditions, as an emerging growth company, we intend to rely on certain of these exemptions, including without limitation, (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board, regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the critical audit matters. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) December 31, 2026; (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the previous three years; and (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC, which means the market value of our ordinary shares that are held by non-affiliates equals or exceeds $700.0 million as of the prior June 30th.

Exhibit 99.3

SOPHiA GENETICS Reports Financial Results for the First Quarter of Fiscal 2023

Strong growth momentum and efficient expense execution continues

BOSTON, United States and LAUSANNE, Switzerland, May 9, 2023 — SOPHiA GENETICS SA (Nasdaq: SOPH), a cloud-native software company in the healthcare space, today reported financial results for the first quarter ended March 31, 2023.

Recent Highlights

- Revenue for the first quarter of 2023 was $14.0 million, representing year-over-year growth of 29% on a reported basis over the corresponding period of 2022; Constant currency year-over-year revenue growth excluding COVID-19-related revenues was 37%.
- Gross margins were 69% on a reported basis and 73% on an adjusted basis for the first quarter of 2023.
- Operating loss in the first quarter of 2023 on a reported basis was $19.3 million and a $16.2 million loss on an adjusted basis, representing an improvement of 23% year-over-year from the first quarter of 2022 on an adjusted basis.
- Continued adoption of SOPHiA DDM™ in clinical markets globally has enabled our analysis volume in the first quarter of 2023 to grow to a record 77,819 analyses representing year-over-year growth of 18%, while volume excluding COVID-19-related analysis grew 25% year-over-year, and 12% sequentially.
- Reiterated full-year guidance including reported revenue growth expected to be at or above 30%, constant currency revenue growth excluding COVID-19-related revenue to be between 30 and 35%, and 2023 operating losses to be below 2022 levels.

CEO Commentary

"SOPHiA GENETICS delivered constant currency ex COVID-19 revenue growth of 37% in the first quarter of 2023, above the high end of our initial guidance range. We performed over 77,000 analyses, and ended the quarter at nearly 30,000 analyses a month. We have demonstrated again to be a leader for technology agnostic software for genomic and multimodal analysis. Our recent announcements with DASA, Krsnaa Diagnostics, and the University of Maryland Medical Center demonstrate our ability to land and expand at some of the world's most prestigious clinical and research centers. This would not be possible without our versatile platform and a large menu of applications that provide meaningful insights to the world class oncologists and researchers these institutions employ." said Jurgi Camblong, PhD., Chief Executive Officer and Co-founder of SOPHiA GENETICS. "I am proud of our robust first quarter growth and moreover that we could deliver it while maintaining our fiscal discipline, resulting in meaningful expense reductions from the prior year period."

Ecosystem Update

In April, SOPHiA GENETICS announced that Krsnaa Diagnostics, India's largest diagnostic services provider in radiology and pathology, went live on SOPHiA DDM™ technology. Krsnaa Diagnostics is using SOPHiA DDM™ for Hereditary Cancers to expand their current next-generation sequencing (NGS) offerings. In May, we announced that Unipath Specialty Laboratory Limited, a leading laboratory group in India, is now live using our Homologous Recombination Deficiency (HRD) solution.

Also in April, SOPHiA GENETICS announced that the University of Maryland Medical Center (UMMC) selected SOPHiA GENETICS' technology to enhance their research capabilities around rare disease detection and treatment. UMMC will use SOPHiA GENETICS' solutions for whole exome to streamline their end-to-end workflow for Rare Disorders and to accelerate their clinical research turn-around times.

This quarter, SOPHiA GENETICS celebrated with its longstanding customer and partner DASA, the largest integrated healthcare network in Brazil, which serves approximately 10% of Brazil's population, the milestone of 2,000 samples analyzed by DASA on SOPHiA DDM™ for Homologous Recombination Deficiency. This milestone was reached just one year after implementation, a testament to the momentum of the democratization of data-driven medicine.

During the quarter, two honors were bestowed on the company. In March, SOPHiA GENETICS was named to Fast Company's prestigious annual list of the World's Most Innovative Companies for 2023, and in April, SOPHiA GENETICS joined the ranks of Actelion and Lonza in accepting the Swiss Biotech Success Stories Award for outstanding contribution as a leader in data-driven medicine.

First Quarter Financial Results

Total revenue for the first quarter of 2023 was $14.0 million compared to $10.9 million for the first quarter of 2022, representing year-over-year growth of 29%. Constant currency revenue growth was 34%, and constant currency revenue growth excluding COVID-19-related revenue was 37%.

Platform analysis volume, including volume from integrated access customers, increased to 77,819 analyses for the first quarter of 2023 compared to 65,694 analyses for the first quarter of 2022. The year-over-year growth of 18% was attributable to growth in our core platform analysis volume offset by the continued decline of our COVID-19-related analysis volume. Excluding COVID-related volumes, platform analysis volumes were 75,868 for the first quarter of 2023 compared to 60,456 in the first quarter of 2022, representing 25% year-over-year growth.

Gross profit for the first quarter of 2023 was $9.7 million compared to gross profit of $6.7 million in the first quarter of 2022, representing year-over-year growth of 44%. Gross margin was 69% for the first quarter of 2023 compared with 62% for the first quarter of 2022. Adjusted gross profit was $10.1 million, an increase of 47% compared to adjusted gross profit of $6.9 million in the first quarter of 2022. Adjusted gross margin was 73% for the first quarter of 2023 compared to 64% for the first quarter of 2022.

Total operating expenses for the first quarter of 2023 were $29.0 million compared to $31.7 million for the first quarter of 2022. Adjusted operating expense for the first quarter of 2023 was $26.3 million, compared to $27.9 million for the first quarter of 2022.

R&D expenses for the first quarter of 2023 were $9.3 million compared to $9.5 million for the first quarter of 2022. Adjusted R&D expense for the first quarter of 2023 was $8.8 million, compared to $9.1 million for the first quarter of 2022.

Sales and marketing expenses for the first quarter of 2023 were $6.4 million compared to $7.9 million for the first quarter of 2022. Adjusted sales and marketing expense for the first quarter of 2023 was $6.5 million, compared to $7.5 million for the first quarter of 2022.

General and administrative expenses for the first quarter of 2023 were $13.2 million dollars compared to $14.4 million for the first quarter of 2022. Adjusted general and administrative expense for the first quarter of 2023 was $11.0 million, compared to $11.3 million for the first quarter of 2022.

Operating loss for the first quarter of 2023 was $19.3 million, compared to $25.0 million in the first quarter of 2022. Adjusted operating loss for the first quarter of 2023 was $16.2 million, compared to $21.0 million for the first quarter of 2022.

Net loss for the first quarter of 2023 was $19.7 million or $0.31 per share compared to $25.5 million or $0.40 per share in the first quarter of 2022. Adjusted net loss for the first quarter of 2023 was $16.6 million or $0.26 per share, compared to $21.5 million or $0.34 per share for the first quarter of 2022.

Cash and cash equivalents were $161.9 million as of March 31, 2023.

2023 Outlook

We are reaffirming our previously provided guidance of:

- reported revenue growth expected to be at or above 30%;
- full year constant currency revenue growth excluding COVID-19-related revenue to be between 30% and 35%; and
- 2023 operating losses to be below 2022 levels.

Constant currency revenue growth excluding COVID-19-related revenue is a non-IFRS measure. See "Presentation of Constant Currency Revenue and Excluding COVID-19-Related Revenue" below for a description of its calculation. The Company is unable to provide a reconciliation of forward-looking constant currency revenue growth excluding COVID-19-related revenue to revenue, the most comparable IFRS financial measure, due to the inherent difficulty in forecasting and quantifying the impact of foreign currency translation.

Webcast and Conference Call Information

SOPHiA GENETICS will host a conference call and live webcast to discuss the first quarter of 2023 financial results as well as business outlook on Tuesday, May 9, 2023, at 8:00 a.m. Eastern Time / 2:00 p.m. Central European Summer Time. The call will be webcast live on the SOPHiA GENETICS Investor Relations website. The conference call can also be accessed live over the phone by dialing 1-833-636-1350 (United States) or 1-412-902-4261 (outside of the United States). Additionally, an audio replay of the conference call will be available on the SOPHiA GENETICS website after its completion.

About SOPHiA GENETICS

SOPHiA GENETICS (Nasdaq: SOPH) is a cloud-native software company in the healthcare space dedicated to establishing the practice of data-driven medicine as the standard of care and for life sciences research. It is the creator of the SOPHiA DDM ™ Platform, a software platform capable of analyzing data and generating insights from complex multimodal data sets and different diagnostic modalities. The SOPHiA DDM ™ Platform and related solutions, products, and services are currently used by a broad network of hospital, laboratory, and biopharma institutions globally. For more information, visit SOPHiAGENETICS.COM, or connect on Twitter, Facebook, LinkedIn, and Instagram. **Where others see data, we see answers.**

Non-IFRS Financial Measures

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

- Adjusted cost of revenue, which we calculate as cost of revenue adjusted to exclude amortization of capitalized research and development expenses;
- Adjusted gross profit, which we calculate as revenue minus adjusted cost of revenue;
- Adjusted gross profit margin, which we calculate as adjusted gross profit as a percentage of revenue;
- Adjusted research and development costs, which we calculate as research and development costs adjusted to exclude share-based compensation expense and non-cash portion of pensions expense paid in excess of actual contributions to match the actuarial expense;
- Adjusted selling and marketing costs, which we calculate as selling and marketing costs adjusted to exclude share-based compensation expense and non-cash portion of pensions expense paid in excess of actual contributions to match the actuarial expense;

- Adjusted general and administrative costs, which we calculate as general and administrative costs adjusted to exclude amortization of intangible assets, share-based compensation expense, and non-cash portion of pensions expense paid in excess of actual contributions to match the actuarial expense;

- Adjusted operating loss, which we calculate as operating loss adjusted to exclude those adjustments made to calculate adjusted cost of revenue, adjusted research and development costs, adjusted selling and marketing costs, and adjusted general and administrative costs;

- Adjusted net loss for the period, which we calculate as loss for the period adjusted to exclude those adjustments made to calculate adjusted cost of revenue, adjusted research and development costs, adjusted selling and marketing costs, adjusted general and administrative costs, and adjusted operating loss; and

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

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

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

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

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

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

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

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

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

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

We operate internationally, and 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 locations. Changes in revenue include the impact of changes in foreign currency exchange rates. We present the non-IFRS financial measure "constant currency revenue" (or similar terms such as constant currency revenue growth) to show changes in our revenue without giving effect to period-to-period currency fluctuations. Under IFRS, revenues received in local (non-U.S. dollar) currencies are translated into U.S. dollars at the average monthly exchange rate for the month in which the transaction occurred. When we use the term "constant currency", it means that we have translated local currency revenues for the current reporting period into U.S. dollars using the same average foreign currency exchange rates for the conversion of revenues into U.S. dollars that we used to translate local currency revenues for the comparable reporting period of the prior year. We then calculate the difference between the IFRS revenue and the constant currency revenue to yield the "constant currency impact" for the current period.

Our management and board of directors use constant currency revenue growth to evaluate our growth and generate future operating plans. The exclusion of the impact of exchange rate fluctuations provides comparability across reporting periods and reflects the effects of our customer acquisition efforts and land-and-expand strategy. Accordingly, we believe that this non-IFRS measure provides useful information to investors and others in understanding and evaluating our revenue growth in the same manner as our management and board of directors. However, this non-IFRS measure has limitations, particularly as the exchange rate effects that are eliminated could constitute a significant element of our revenue and could significantly impact our performance and prospects. Because of these limitations, you should consider this non-IFRS measure alongside other financial performance measures, including revenue and revenue growth presented in accordance with IFRS and our other IFRS results.

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

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

Forward-Looking Statements

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

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

	Three months ended March 31,	
	2023	**2022**
Revenue	**$ 13,966**	**$ 10,861**
Cost of revenue	(4,272)	(4,151)
Gross profit	**9,694**	**6,710**
Research and development costs	(9,334)	(9,475)
Selling and marketing costs	(6,424)	(7,864)
General and administrative costs	(13,242)	(14,380)
Other operating income (expense), net	19	(12)
Operating loss	**(19,287)**	**(25,021)**
Finance expense, net	(306)	(233)
Loss before income taxes	**(19,593)**	**(25,254)**
Income tax expense	(107)	(233)
Loss for the period	**(19,700)**	**(25,487)**
Attributable to the owners of the parent	**(19,700)**	**(25,487)**
Basic and diluted loss per share	**$ (0.31)**	**$ (0.40)**

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

	Three months ended March 31,	
	2023	**2022**
Loss for the period	**$ (19,700)**	**$ (25,487)**
Other comprehensive income (loss):		
Items that may be reclassified to statement of loss (net of tax)		
Currency translation differences	1,971	(1,961)
Total items that may be reclassified to statement of loss	**1,971**	**(1,961)**
Items that will not be reclassified to statement of loss (net of tax)		
Remeasurement of defined benefit plans	(70)	428
Total items that will not be reclassified to statement of loss	**(70)**	**428**
Other comprehensive income (loss) for the period	**$ 1,901**	**$ (1,533)**
Total comprehensive loss for the period	**$ (17,799)**	**$ (27,020)**
Attributable to owners of the parent	**$ (17,799)**	**$ (27,020)**

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

	March 31, 2023		December 31, 2022	
Assets				
Current assets				
Cash and cash equivalents	$	160,762	$	161,305
Term deposits		1,094		17,307
Accounts receivable		10,285		6,649
Inventory		4,052		5,156
Prepaids and other current assets		6,133		5,838
Total current assets		**182,326**		**196,255**
Non-current assets				
Property and equipment		7,414		7,129
Intangible assets		20,798		19,963
Right-of-use assets		14,851		14,268
Deferred tax assets		1,950		1,940
Other non-current assets		4,719		4,283
Total non-current assets		**49,732**		**47,583**
Total assets	**$**	**232,058**	**$**	**243,838**
Liabilities and equity				
Current liabilities				
Accounts payable	$	7,678	$	6,181
Accrued expenses		10,452		14,505
Deferred contract revenue		8,242		3,434
Lease liabilities, current portion		2,977		2,690
Total current liabilities		**29,349**		**26,810**
Non-current liabilities				
Lease liabilities, net of current portion		14,765		14,053
Defined benefit pension liabilities		2,860		2,675
Other non-current liabilities		172		170
Total non-current liabilities		**17,797**		**16,898**
Total liabilities		**47,146**		**43,708**
Equity				
Share capital		3,464		3,464
Share premium		471,771		471,623
Treasury shares		(112)		(117)
Other reserves		28,292		23,963
Accumulated deficit		(318,503)		(298,803)
Total equity		**184,912**		**200,130**
Total liabilities and equity	**$**	**232,058**	**$**	**243,838**

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

	Three months ended March 31,	
	2023	2022
Operating activities		
Loss before tax	$ (19,593)	$ (25,254)
Adjustments for non-monetary items		
Depreciation	1,284	833
Amortization	606	355
Finance expense, net	169	166
Expected credit loss allowance	638	(59)
Share-based compensation	2,430	3,471
Movements in provisions, pensions, and government grants	349	196
Research tax credit	(451)	(405)
Working capital changes		
Increase in accounts receivable	(3,169)	(2)
(Increase) Decrease in prepaids and other assets	(859)	596
Decrease in inventory	876	617
Increase in accounts payables, accrued expenses, deferred contract revenue, and other liabilities	2,062	2,140
Cash used in operating activities	**(15,658)**	**(17,346)**
Income tax paid	(121)	—
Interest paid	(5)	(69)
Interest received	995	16
Net cash flows used in operating activities	**(14,789)**	**(17,399)**
Investing activities		
Purchase of property and equipment	(508)	(561)
Acquisition of intangible assets	(284)	(334)
Capitalized development costs	(935)	(1,213)
Proceeds upon maturity of term deposits	16,213	21,646
Purchase of term deposits	—	(10,824)
Net cash flow provided from investing activities	**14,486**	**8,714**
Financing activities		
Proceeds from exercise of share options	151	59
Payments of principal portion of lease liabilities	(1,086)	(470)
Net cash flow used in financing activities	**(935)**	**(411)**
Decrease in cash and cash equivalents	**(1,238)**	**(9,096)**
Effect of exchange differences on cash balances	695	(953)
Cash and cash equivalents at beginning of the year	161,305	192,962
Cash and cash equivalents at end of the period	**$ 160,762**	**$ 182,913**

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

	Three months ended March 31,		
	2023	2022	Growth
IFRS revenue	**$ 13,966**	**$ 10,861**	**29 %**
Current period constant currency impact	618	—	
Constant currency revenue	**$ 14,584**	**$ 10,861**	**34 %**
COVID-19-related revenue	(125)	(331)	
Constant currency impact on COVID-19-related revenue	5	—	
Constant currency revenue excluding COVID-19-related revenue	**$ 14,464**	**$ 10,530**	**37 %**

SOPHiA GENETICS SA
Reconciliation of IFRS to Adjusted IFRS Statement of Profit and Loss
(Amounts in USD thousands, except for %)
(Unaudited)

In USD thousands except per share data	IFRS basis	Amortization of capitalized research & development expenses[1]	Amortization of intangible assets[2]	Share-based compensation expense[3]	Non-cash pension expenses[4]	Adjusted basis
	Three months ended March 31, 2023					
Revenue	**$ 13,966**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 13,966**
Cost of revenue	(4,272)	432	—	—	—	(3,840)
Gross profit	**9,694**	**432**	**—**	**—**	**—**	**10,126**
Gross margin	*69 %*	*4 %*	*— %*	*— %*	*— %*	*73 %*
Research and development costs	(9,334)	—	—	547	—	(8,787)
Selling and marketing costs	(6,424)	—	—	(117)	—	(6,541)
General and administrative costs	(13,242)	—	173	2,000	78	(10,991)
Other operating income (expense), net	19	—	—	—	—	19
Operating loss	**(19,287)**	**432**	**173**	**2,430**	**78**	**(16,174)**
Finance expense, net	(306)	—	—	—	—	(306)
Loss before income taxes	**(19,593)**	**432**	**173**	**2,430**	**78**	**(16,480)**
Income tax expense	(107)	—	—	—	—	(107)
Loss for the period	**(19,700)**	**432**	**173**	**2,430**	**78**	**(16,587)**
Attributable to the owners of the parent	**(19,700)**	**432**	**173**	**2,430**	**78**	**(16,587)**
Loss per share	**$ (0.31)**	**$ 0.01**	**$ —**	**$ 0.04**	**$ —**	**$ (0.26)**
Weighted Average Shares Outstanding	64,242,871					64,242,871

In USD thousands except per share data	IFRS basis	Amortization of capitalized research & development expenses[1]	Amortization of intangible assets[2]	Share-based compensation expense[3]	Non-cash pension expenses[4]	Adjusted basis
	Three months ended March 31, 2022					
Revenue	**$ 10,861**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 10,861**
Cost of revenue	(4,151)	198	—	—	—	(3,953)
Gross profit	**6,710**	**198**	**—**	**—**	**—**	**6,908**
Gross margin	*62 %*	*2 %*	*— %*	*— %*	*— %*	*64 %*
Research and development costs	(9,475)	—	—	385	—	(9,090)
Selling and marketing costs	(7,864)	—	—	390	—	(7,474)
General and administrative costs	(14,380)	—	158	2,696	194	(11,332)
Other operating income (expense), net	(12)	—	—	—	—	(12)
Operating loss	**(25,021)**	**198**	**158**	**3,471**	**194**	**(21,000)**
Finance expense, net	(233)	—	—	—	—	(233)
Loss before income taxes	**(25,254)**	**198**	**158**	**3,471**	**194**	**(21,233)**
Income tax expense	(233)	—	—	—	—	(233)
Loss for the period	**(25,487)**	**198**	**158**	**3,471**	**194**	**(21,466)**
Attributable to the owners of the parent	**(25,487)**	**198**	**158**	**3,471**	**194**	**(21,466)**
Loss per share	**$ (0.40)**	**$ —**	**$ —**	**$ 0.06**	**$ —**	**$ (0.34)**
Weighted Average Shares Outstanding	63,891,630	—	—	—	—	63,891,630

Notes to the Reconciliation of IFRS to Adjusted Financial Measures Tables

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

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

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

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