

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File No. 001-42130

Tempus AI, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

47-4903308
(I.R.S. Employer
Identification No.)

600 West Chicago Avenue, Suite 510
Chicago, IL 60654

(Address of Principal Executive Offices, Zip Code)

(800) 976-5448

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	TEM	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

As of October 30, 2025, there were 172,863,470 shares of Class A common stock and 5,043,789 shares of Class B common stock, each with a par value of \$0.0001 per share, outstanding.

	<u>Page</u>
<u>Part I – Condensed Consolidated Financial Statements (unaudited)</u>	1
Item 1. <u>Condensed Consolidated Quarterly Financial Statements (Unaudited)</u>	1
<u>Condensed Consolidated Balance Sheets</u>	2
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss</u>	4
<u>Condensed Consolidated Statements of Cash Flows</u>	5
<u>Condensed Consolidated Statements of Redeemable Convertible Preferred Stock, Common Stock and Stockholders' Equity</u>	8
<u>Notes to Condensed Consolidated Financial Statements</u>	10
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	38
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	59
Item 4. <u>Controls and Procedures</u>	60
<u>Part II – Other Information</u>	61
Item 1. <u>Legal Proceedings</u>	61
Item 1A. <u>Risk Factors</u>	62
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	63
Item 3. <u>Defaults Upon Senior Securities</u>	64
Item 4. <u>Mine Safety Disclosures</u>	64
Item 5. <u>Other Information</u>	64
Item 6. <u>Exhibits</u>	65
<u>Signatures</u>	66

Tempus AI, Inc.
Condensed Consolidated Quarterly Financial Statements (Unaudited)
September 30, 2025

Tempus AI, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Uaudited)
(in thousands, except share and per share amounts)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 655,918	\$ 340,954
Accounts receivable ⁽¹⁾ , net of allowances of \$1,583 and \$1,141 at September 30, 2025 and December 31, 2024, respectively	283,626	154,819
Inventory	54,976	38,386
Related party asset	5,660	—
Prepaid expenses and other current assets	42,611	26,135
Marketable equity securities	103,720	107,309
Total current assets	<u>\$ 1,146,511</u>	<u>\$ 667,603</u>
Property and equipment, net	90,710	58,056
Goodwill	465,140	73,343
Intangible assets, net	372,876	11,716
Investments and other assets	20,948	8,305
Investment in joint venture	94,367	91,450
Related party asset, less current portion	19,340	—
Operating lease right-of-use assets	66,901	14,762
Restricted cash	4,631	881
Total Assets	<u><u>\$ 2,281,424</u></u>	<u><u>\$ 926,116</u></u>
Liabilities, Convertible redeemable preferred stock, and Stockholders' equity		
Current Liabilities		
Accounts payable	59,553	53,804
Accrued expenses	160,773	130,407
Deferred revenue ⁽²⁾	84,719	75,981
Deferred other income	15,955	15,955
Other current liabilities	11,819	6,964
Operating lease liabilities	12,417	6,459
Accrued data licensing fees	4,792	1,500
Total current liabilities	<u>\$ 350,028</u>	<u>\$ 291,070</u>
Operating lease liabilities, less current portion	77,723	26,199
Convertible promissory note	217,959	168,192
Other long-term liabilities	58,772	15,980
Revolving credit facility	100,000	—
Interest payable	8,739	70,450
Long-term debt, net	200,859	267,244
Convertible senior notes, net	726,863	—
Deferred other income, less current portion	11,966	23,932
Deferred revenue, less current portion	20,691	6,710
Total Liabilities	<u><u>\$ 1,773,600</u></u>	<u><u>\$ 869,777</u></u>

⁽¹⁾ Includes related party accounts receivable of \$6,639 and \$4,287 as of September 30, 2025 and December 31, 2024, respectively.

⁽²⁾ Includes related party deferred revenue of \$19,918 and \$0 as of September 30, 2025 and December 31, 2024, respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Uaudited)
(in thousands, except share and per share amounts)

Commitments and contingencies (Note 8)

Convertible redeemable preferred stock, \$0.0001 par value, 20,000,000 shares authorized at September 30, 2025 and December 31, 2024, respectively, no shares issued and outstanding at September 30, 2025 and December 31, 2024

\$ — \$ —

Stockholders' equity

Class A Common Stock, \$0.0001 par value, 1,000,000,000 shares authorized at September 30, 2025 and December 31, 2024, respectively; 172,779,554 and 157,076,972 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively

17 16

Class B Common Stock, \$0.0001 par value, 5,500,000 shares authorized at September 30, 2025 and December 31, 2024, respectively; 5,043,789 issued and outstanding at September 30, 2025 and December 31, 2024, respectively

1 1

Non-voting Common Stock, \$0.0001 par value, no shares authorized at September 30, 2025 and December 31, 2024, respectively; no shares issued and outstanding at September 30, 2025, and December 31, 2024, respectively

— —

Treasury Stock, 145,466 shares at September 30, 2025 and December 31, 2024, at cost

(3,602) (3,602)

Additional Paid-In Capital

2,847,571 2,210,664

Accumulated Other Comprehensive Income

5,533 94

Accumulated deficit

(2,341,696) (2,150,834)

Total Stockholders' equity

\$ 507,824 \$ 56,339

Total Liabilities, Convertible redeemable preferred stock, and Stockholders' equity

\$ 2,281,424 \$ 926,116

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Uaudited)
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net revenue				
Genomics	\$ 252,878	\$ 116,422	\$ 688,525	\$ 331,315
Data and services ⁽¹⁾	81,328	64,507	216,053	161,403
Total net revenue	\$ 334,206	\$ 180,929	\$ 904,578	\$ 492,718
Cost and operating expenses				
Cost of revenues, genomics	98,643	60,126	283,182	181,285
Cost of revenues, data and services	25,621	14,964	61,212	52,384
Technology research and development	38,087	30,680	105,960	135,655
Research and development	44,960	27,348	122,453	119,713
Selling, general and administrative	187,891	101,427	523,230	644,063
Total cost and operating expenses	\$ 395,202	\$ 234,545	\$ 1,096,037	\$ 1,133,100
Loss from operations	\$ (60,996)	\$ (53,616)	\$ (191,459)	\$ (640,382)
Interest income	4,600	4,789	7,506	7,538
Interest expense	(15,399)	(13,761)	(54,981)	(40,294)
Loss on debt extinguishment	(12,034)	—	(12,034)	—
Other income (expense), net	2,605	(11,522)	16,879	(17,821)
Loss before (provision for) benefit from income taxes	\$ (81,224)	\$ (74,110)	\$ (234,089)	\$ (690,959)
(Provision for) benefit from income taxes	(276)	(38)	45,692	(144)
Gains (losses) from equity method investments	1,518	(1,692)	(2,465)	(1,692)
Net Loss	<u>\$ (79,982)</u>	<u>\$ (75,840)</u>	<u>\$ (190,862)</u>	<u>\$ (692,795)</u>
Dividends on Series A, B, B-1, B-2, C, D, E, F, G, G-3, and G-4 preferred shares	—	—	—	(39,347)
Cumulative undeclared dividends on Series C preferred shares	—	—	—	(1,174)
Net loss attributable to common shareholders, basic and diluted	<u>(79,982)</u>	<u>(75,840)</u>	<u>(190,862)</u>	<u>(733,316)</u>
Net loss per share attributable to common shareholders, basic and diluted	\$ (0.46)	\$ (0.46)	\$ (1.10)	\$ (7.04)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	<u>174,945</u>	<u>165,612</u>	<u>172,969</u>	<u>104,164</u>
Comprehensive Loss, net of tax				
Net loss	\$ (79,982)	\$ (75,840)	\$ (190,862)	\$ (692,795)
Foreign currency translation adjustment	(2,915)	10,302	5,439	10,203
Comprehensive loss	<u>\$ (82,897)</u>	<u>\$ (65,538)</u>	<u>\$ (185,423)</u>	<u>\$ (682,592)</u>

⁽¹⁾ Includes related party revenue of \$25,132, \$2,389, \$41,671, \$2,604 for the three and nine months ended September 30, 2025 and 2024, respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Uaudited)
(in thousands, except share and per share amounts)

	Nine Months Ended September 30,	
	2025	2024
Operating activities		
Net loss	\$ (190,862)	\$ (692,795)
Adjustments to reconcile net loss to net cash used in operating activities		
Change in fair value of warrant liability	\$ —	\$ 42,400
Stock-based compensation	79,408	509,351
Gain on warrant exercise	—	(173)
Gain on marketable equity securities	(4,731)	(5,119)
Loss on debt extinguishment	12,034	—
Deferred income taxes	(46,216)	—
Losses from equity method investments	2,465	1,692
Amortization of original issue discount	2,615	1,036
Amortization of deferred financing fees	398	383
Change in fair value of contingent consideration	—	165
Change in fair value of holdback liability	291	—
Amortization of warrant contract asset	—	3,633
Depreciation and amortization	75,416	27,788
Provision for bad debt expense	767	545
Provision for obsolete inventory	1,135	—
Change in fair value of warrant asset	—	(18,302)
Non-cash operating lease costs	7,866	4,670
Minimum accretion expense	109	85
PIK interest added to principal	8,839	6,567
Change in assets and liabilities		
Accounts receivable ⁽¹⁾	(63,199)	(51,699)
Inventory	(6,537)	(7,293)
Prepaid expenses and other current assets	(3,991)	(14,040)
Investments and other assets	(16,700)	(410)
Accounts payable	(18,528)	(24,776)
Related party asset	(25,000)	—
Deferred revenue ⁽²⁾	17,398	(1,052)
Deferred other income	(11,966)	43,876
Accrued data licensing fees	3,730	(4,250)
Accrued expenses & other	(5,179)	23,371
Interest payable	10,288	11,208
Operating lease liabilities	(11,152)	(6,655)
Net cash used in operating activities	\$ (181,302)	\$ (149,794)

⁽¹⁾ Includes increase in related party accounts receivable of \$2,352 and \$1,909 as of September 30, 2025 and September 30, 2024, respectively.

⁽²⁾ Includes increase in related party deferred revenue of \$19,918 and \$0 as of September 30, 2025 and September 30, 2024, respectively.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Uaudited)
(in thousands, except share and per share amounts)

	Nine Months Ended September 30,	
	2025	2024
Investing activities		
Purchases of property and equipment	\$ (16,294)	\$ (14,159)
Proceeds from sale of marketable equity securities	8,316	23,098
Purchases of marketable equity securities	—	(36,183)
Business combinations, net of cash acquired (Note 4)	(375,025)	—
Investment in joint venture	—	(95,186)
Purchases of capitalized software	(4,635)	—
Net cash used in investing activities	\$ (387,638)	\$ (122,430)
Financing activities		
Proceeds from issuance of common stock in connection with initial public offering, net of underwriting discounts and commissions	\$ —	\$ 381,951
Tax withholding related to net share settlement of restricted stock units	—	(69,918)
Issuance of Series G-5 Preferred Stock	—	199,750
Payment of deferred offering costs	(501)	(8,587)
Dividends paid	—	(5,625)
Proceeds from revolving credit facility, net of original issue discount	98,000	—
Proceeds from long-term debt, net of original issue discount	196,000	—
Proceeds from convertible senior notes, net of initial purchasers' discount	726,497	—
Payment of deferred financing fees	(1,255)	—
Payment of indemnity holdback related to acquisition	—	(813)
G-4 Special Payment	—	(2,250)
Principal payments on long-term debt	(276,892)	—
Prepayment premium on long-term debt	(7,841)	—
Purchases of capped call	(41,775)	—
Proceeds from issuance of common stock in connection with at-the-market offering, net of commissions	195,499	—
Net cash provided by financing activities	\$ 887,732	\$ 494,508
Effect of foreign exchange rates on cash	\$ (78)	\$ (13)
Net increase in Cash, Cash Equivalents and Restricted Cash	\$ 318,714	\$ 222,271
Cash, cash equivalents and restricted cash, beginning of period	341,835	166,607
Cash, cash equivalents and restricted cash, end of period	\$ 660,549	\$ 388,878
Cash, Cash Equivalents and Restricted Cash are Comprised of:		
Cash and cash equivalents	\$ 655,918	\$ 388,006
Restricted cash and cash equivalents	4,631	872
Total cash, cash equivalents and restricted cash	\$ 660,549	\$ 388,878
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 37,349	\$ 20,899
Cash paid for income taxes	\$ 573	\$ 127

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Uaudited)
(in thousands, except share and per share amounts)

	Nine Months Ended September 30,	
	2025	2024
Supplemental disclosure of noncash investing and financing activities		
Dividends payable	\$ —	\$ 5,487
Purchases of property and equipment, accrued but not paid	<u>\$ 3,724</u>	<u>\$ 6,706</u>
Redemption of convertible promissory note	<u>\$ 22,721</u>	<u>\$ 18,664</u>
Non-voting common stock issued in connection with business combinations	<u>\$ —</u>	<u>\$ 344</u>
Deferred offering costs, accrued but not yet paid	<u>\$ 320</u>	<u>\$ 179</u>
Deferred financing fees, accrued but not yet paid	<u>\$ 489</u>	<u>\$ —</u>
Reclassification of deferred offering costs to additional paid-in capital upon at-the-market offering	<u>\$ 821</u>	<u>\$ —</u>
Operating lease liabilities arising from obtaining right-of-use assets	<u>\$ 22,670</u>	<u>\$ 550</u>
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	<u>\$ —</u>	<u>\$ 1,348,809</u>
Taxes related to net share settlement of restricted stock units not yet paid	<u>\$ —</u>	<u>\$ 164</u>
Reclassification of deferred offering costs to additional paid-in capital upon initial public offering	<u>\$ —</u>	<u>\$ 12,347</u>
Class A Common Stock issued in connection with business combinations	<u>\$ 403,154</u>	<u>\$ —</u>
Class A Common Stock issued in connection with license agreement	<u>\$ 1,443</u>	<u>\$ —</u>
Issuance of Series G-3 Preferred Stock	<u>\$ —</u>	<u>\$ 3,809</u>
Issuance of Series G-4 Preferred Stock	<u>\$ —</u>	<u>\$ 611</u>
Convertible promissory note principal reset due to amendment	<u>\$ 72,488</u>	<u>\$ —</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE
PREFERRED STOCK, COMMON STOCK AND STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands, except share and per share amounts)

	Voting Common Stock				Treasury Stock		Additional Paid-in Capital		Accumulated Other Comprehensive (Loss) Income		Total Stockholders' Equity
	Class A		Class B		Units	Amount	Units	Amount	Accumulated Deficit	94	
	Units	Amount	Units	Amount					\$		
Balance at December 31, 2024	157,076,972	\$ 16	5,043,789	\$ 1	(145,466)	\$ (3,602)	2,210,664	\$ (2,150,834)	94	\$ 56,339	
Issuance of common stock upon settlement of restricted stock units, net	7,004,171	1	—	—	—	—	—	(1)	—	—	—
Issuance of common stock in connection with At the Market offering, net of offering costs and commissions	2,381,895	—	—	—	—	—	194,678	—	—	194,678	
Issuance of common stock in connection with business combinations	6,298,601	0	—	—	—	—	403,154	—	—	403,154	
Issuance of common stock in connection with license agreement	17,915	—	—	—	—	—	1,443	—	—	1,443	
Purchase of capped call	—	—	—	—	—	—	(41,775)	—	—	(41,775)	
Stock-based compensation expense	—	—	—	—	—	—	79,408	—	—	79,408	
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	5,439	5,439	
Net loss	—	—	—	—	—	—	—	(190,862)	—	(190,862)	
Balance at September 30, 2025	172,779,554	\$ 17	5,043,789	\$ 1	(145,466)	\$ (3,602)	2,847,571	\$ (2,341,696)	5,533	\$ 507,824	

Redeemable Convertible Preferred	Voting Common Stock				Non-Voting		Treasury		Additional Paid-in Capital		Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Stock		Class A		Common Stock		Stock		Capital			
	Units	Amount	Units	Amount	Units	Amount	Units	Amount	Accumulated	Deficit		
Balance at December 31, 2023	63,525.9	1,105,	58,367.9	61	\$ 6	—	\$ 2	0	(145,	18,345	\$ (1,396,	\$ (1,382,163)
Issuance of Series G-3 Preferred Stock	66,465	3,809	—	—	—	—	—	—	466)	—	917)	—
Issuance of Series G-4 Preferred Stock	10,666	611	—	—	—	—	—	—	2)	—	—	—
Issuance of Series G-5 Preferred Stock	3,489,98	199,75	—	—	—	—	—	—	—	—	—	—
Common stock issued in connection with business combinations	1	0	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	9,141	0	—	344	—	344
Issuance of common stock in connection with initial public offering, net of underwriting discounts and other offering costs	—	—	11,100,0	—	—	—	—	—	—	369,60	—	369,604
Conversion of redeemable convertible preferred stock to common stock in connection with initial public offering	(67,093,	(1,343,	71,976,1	78	1	—	5,043,78	—	—	3	—	—
Conversion of non-voting common stock to Class A common stock	—	—	5,069,47	7	1	—	(5,214,9	—	—	62	(8,761)	1,348,809
Issuance of common stock upon settlement of restricted stock units, net	—	—	3,657,28	—	0	—	—	—	—	(1)	—	0
Issuance of common stock upon settlement of warrant	—	—	109,459	—	0	—	—	—	—	(70,105)	—	(70,105)
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	1	—	509,351
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	10,203	10,203
Net loss	—	—	—	—	—	—	—	—	—	(692,79)	5	(692,795)
Balance at September 30, 2024	—	\$ 363	150,280,	—	5,043,78	—	(145,	3,60	2,184,9	\$ (2,137,	—	\$ 53,728

The accompanying notes are an integral part of these condensed consolidated financial statements.

Tempus AI, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE
PREFERRED STOCK, COMMON STOCK AND STOCKHOLDERS' EQUITY
(Unaudited)
(in thousands, except share and per share amounts)

	Voting Common Stock				Treasury Stock		Additional Paid-in Capital		Accumulated Other Comprehensive (Loss) Income		Total Stockholders' Equity
	Class A		Class B		Units	Amount	Units	Amount	Accumulated Deficit	(\$)	
Balance at June 30, 2025	168,580,827	\$ 17	5,043,789	\$ 1	(145,466)	\$ (3,602)	2,566,412	\$ (2,261,714)	8,448	\$	309,562
Issuance of common stock upon settlement of restricted stock units, net	612,732	0	—	—	—	—	—	(0)	—	—	—
Issuance of common stock in connection with At the Market offering, net of offering costs and commissions	2,381,895	—	—	—	—	—	194,678	—	—	—	194,678
Issuance of common stock in connection with business combinations	1,186,185	—	—	—	—	—	92,834	—	—	—	92,834
Issuance of common stock in connection with license agreement	17,915	—	—	—	—	—	1,443	—	—	—	1,443
Purchase of capped call	—	—	—	—	—	—	(41,775)	—	—	—	(41,775)
Stock-based compensation expense	—	—	—	—	—	—	33,979	—	—	—	33,979
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(2,915)	—	(2,915)
Net loss	—	—	—	—	—	—	(79,982)	—	—	—	(79,982)
Balance at September 30, 2025	172,779,554	\$ 17	5,043,789	\$ 1	(145,466)	\$ (3,602)	2,847,571	\$ (2,341,696)	5,533	\$	507,824

	Voting Common Stock				Non-Voting Common Stock		Treasury Stock		Additional Paid-in Capital		Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	
	Class A		Class B		Units	Amount	Units	Amount	Stock	Paid-in Capital	Accumulated Deficit	(\$)	
Balance at June 30, 2024	149,274.9	\$ 23	5,043,789	\$ 15	0	\$ —	(145,466)	\$ (6)	(3,602)	2,163,91	1	\$ (2,061,98)	(94) \$ 98,251
Issuance of common stock upon settlement of restricted stock units, net	1,005,440	—	—	—	—	—	—	—	—	(23)	—	—	(23)
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	21,038	—	—	21,038
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	10,302	10,302
Net loss	—	—	—	—	—	—	—	—	—	(75,840)	—	—	(75,840)
Balance at September 30, 2024	150,280.3	\$ 63	5,043,789	\$ 15	—	\$ —	(145,466)	\$ (6)	(3,602)	2,184,92	—	\$ (2,137,82)	10,208 \$ 53,728

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. DESCRIPTION OF BUSINESS

Company Information

Tempus AI, Inc., together with the subsidiaries through which it conducts business (the “Company”), is a healthcare technology company focused on bringing artificial intelligence and machine learning to healthcare in order to improve the care of patients across multiple diseases. The Company combines the results of laboratory tests with other multimodal datasets to improve patient care by supporting all parties in the healthcare ecosystem, including physicians, researchers, payers, and pharmaceutical companies. The Company primarily derives revenue from selling comprehensive genetic testing to physicians and large academic research institutions, licensing data to third parties, matching patients to clinical trials, and related services.

The Company, based in Chicago, Illinois, was founded by Eric P. Lefkofsky, the Company’s CEO and Executive Chairman, and evolved from a business Mr. Lefkofsky founded called Bioin. Bioin originally was established as a limited liability company. Effective September 21, 2015, Bioin converted its legal form to a corporation organized and existing under the General Corporation Law of the State of Delaware. Bioin subsequently changed its legal name to Tempus Health, Inc. in September 2015, to Tempus Labs, Inc. in October 2016 and to Tempus AI, Inc. in December 2023. Effective August 7, 2025, the Company reincorporated, by conversion, from a Delaware corporation to a Nevada corporation.

Segment Information

The Company operates as one operating and reportable segment. The Company’s chief operating decision maker (“CODM”) is its chief executive officer, who reviews financial information for purposes of making operating decisions, assessing financial performance and allocating resources. The Company’s CODM evaluates financial information on a consolidated basis.

The CODM assesses performance and decides how to allocate resources based on consolidated net loss that is reported on the consolidated statements of operations and comprehensive loss. The CODM uses consolidated net loss to evaluate income generated from segment assets. Net loss is used to monitor budget versus actual results.

Outside of the expenses reported on the consolidated statements of operations and comprehensive loss, the CODM regularly reviews personnel costs and cloud costs within selling, general, and administrative expenses, which the Company has identified as significant segment expenses.

The following summarizes the significant segment expenses reconciled to total selling, general and administrative expenses shown on the consolidated statements of operations and comprehensive loss. Other selling, general, and administrative expenses include facilities, professional fees, marketing, travel and entertainment, depreciation and amortization, and stock-based compensation (see Note 12).

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Selling, general and administrative payroll	\$ 72,185	\$ 203,200	\$ 41,661	\$ 118,291
Cloud and software	36,071	93,834	24,688	71,376
Other selling, general and administrative	79,635	226,196	35,078	454,396
Selling, general and administrative	\$ 187,891	\$ 523,230	\$ 101,427	\$ 644,063

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The condensed consolidated financial statements include the accounts of Tempus AI, Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) regarding interim financial information and include the assets, liabilities, revenue and expenses of all wholly owned subsidiaries. Investments in unconsolidated entities in which the Company does not have a controlling financial interest, but has the ability to exercise significant influence, are accounted for under the equity method of accounting. Investments in unconsolidated entities in which the Company is not able to exercise significant influence are accounted for under the cost method of accounting. Certain information and disclosures

normally included in the annual consolidated financial statements prepared in accordance with GAAP have been omitted. Accordingly, the unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Form 10-K for the year ended December 31, 2024. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and reflect, in management's opinion, all the adjustments of a normal, recurring nature that are necessary for the fair statement of the Company's financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results expected for the full year or any other period.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of September 30, 2025 and its results of operations for the three and nine months ended September 30, 2025 and 2024, and cash flows for the nine months ended September 30, 2025 and 2024. The condensed consolidated balance sheet at December 31, 2024, was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

The Company believes that its existing cash and cash equivalents and marketable equity securities at September 30, 2025 will be sufficient to allow the Company to fund its current operating plan through at least a period of one year from the date of issuance of this Quarterly Report on Form 10-Q. As the Company continues to incur losses, its transition to profitability is dependent upon a level of revenues adequate to support the Company's cost structure. Future capital requirements will depend on many factors, including the timing and extent of spending on research and development activities and growth related expenditures.

Other than described in Note 4, Note 12, and Note 13, there have been no changes to the Company's significant accounting policies described in the "Notes to the Consolidated Financial Statements" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 that have had a material impact on the Company's consolidated financial statements and accompanying notes.

Emerging Growth Company

The Company is an "emerging growth company" as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's condensed consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Based on the aggregate market value of shares of the Company's Class A common stock held by non-affiliates as of June 30, 2025, the Company expects to become a "large accelerated filer" and no longer qualify as an emerging growth company as of December 31, 2025.

Use of Estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and classifications of assets and liabilities, revenue and expenses, and the related disclosures of contingent assets and liabilities in the condensed consolidated financial statements and accompanying notes. The most significant estimates are related to revenue, accounts receivable, stock-based compensation, operating lease liabilities, the useful lives of property, equipment and intangible assets, and the cash flows used in determining the fair value of acquired intangible assets. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvement to Income Tax Disclosures.” ASU 2023-09 requires additional disclosures aimed at enhancing the transparency and decision usefulness of income tax disclosures. This ASU is effective for fiscal years beginning after December 15, 2024. The Company does not expect this ASU to have a material impact on the Company’s disclosures. The Company plans to adopt the guidance for the fiscal year ending December 31, 2025 on a prospective basis.

In November 2024, the FASB issued ASU 2024-03, “Income Statement—Reporting Comprehensive Income (Topic 220): Disaggregation of Income Statement Expenses.” ASU 2024-03 requires additional disclosures aimed at enhancing the transparency and decision usefulness of income statement expenses. This ASU is effective for fiscal years beginning after December 15, 2026 as well as interim periods beginning after December 15, 2027 and requires retrospective application to all prior periods presented in the financial statements. The Company is currently evaluating the impact of the guidance on the related disclosures.

In September 2025, the FASB issued ASU 2025-06, “Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.” ASU-2025-06 revises the recognition guidance for internal-use software by eliminating the previous model based on software development stages and introducing a principles-based approach. Under the new guidance, capitalization begins when management has authorized and committed to funding the project, and it is probable that the software will be completed and used for its intended purpose. This ASU is effective for interim periods and fiscal years beginning after December 15, 2027. This ASU permits an entity to apply the new guidance using either a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, or a retrospective transition approach. The Company is currently evaluating the impact of the guidance on the related disclosures.

In September 2025, the FASB issued ASU No. 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606), which amends the existing guidance to (a) reduce the cost and complexity of evaluating whether contracts with features based on the operations or activities of one of the parties to the contract are derivatives, (b) better portray the economics of those contracts in the financial statements, and (c) reduce diversity in practice resulting from the broad application of the current guidance and changing business environment. The amendments also are expected to reduce diversity in practice by clarifying the applicability of Topic 606, Revenue from Contracts with Customers, to share-based noncash consideration from a customer for the transfer of goods or services. This ASU is effective for fiscal years beginning after December 15, 2026. The Company is currently evaluating the impact of the guidance on the related disclosures.

3. REVENUErecognition

The Company derives revenue from selling lab services (“Genomics”) to physicians, genetic counselors, academic research institutions, and other parties. The Company also derives revenue from the commercialization of data generated in the lab (“Data and services”) through the licensing of de-identified datasets to third parties and by providing clinical trial support, such as matching patients to clinical trials enrolled in its clinical trial network, and related services. The majority of the Company’s revenue is generated in North America.

The Company accounts for revenue in accordance with Financial Accounting Standards Board (“FASB”) ASC 606 *Revenue from Contracts with Customers* (“ASC 606”). The Company commences revenue recognition when control of these products is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for such products. This principle is achieved by applying the five-step approach: (i) the Company accounts for a contract when it has approval and commitment from both parties, (ii) the rights of the parties are identified, (iii) payment terms are identified, (iv) the contract has commercial substance and (v) collectability of consideration is probable. Revenues and any contract assets are not recognized until such time that the required conditions are met.

Disaggregation of Revenue

The Company provides disaggregation of revenue based on Genomics and Data and services on the condensed consolidated statements of operations and comprehensive loss, as it believes these best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Genomics

The Company generally recognizes revenue for its Genomics product offering when it has met its performance obligation relating to an order. The Company has determined its sole performance obligation to be the delivery of the testing results to the

ordering party. The Company receives payments from Medicare, Medicaid, and commercial insurance for clinical orders and directly from research institutions, pharmaceutical companies or other third parties for direct bill orders. The Company recognized Genomics revenue of \$252.9 million and \$116.4 million for the three months ended September 30, 2025 and 2024, respectively. The Company recognized Genomics revenue of \$688.5 million and \$331.3 million for the nine months ended September 30, 2025 and 2024, respectively.

For clinical orders from Medicare, Medicaid, and commercial insurance, the Company determines transaction price by reducing the standard charge by the estimated effects of any variable consideration, such as contractual allowance and implicit price concessions. The Company estimates the contractual allowances and implicit price concessions based on historical collections in relation to established rates, as well as known current or anticipated reimbursement trends not reflected in the historical data. Estimates are inclusive of the consideration to which the Company will be entitled at an amount for which it is probable that a reversal of cumulative consideration will not occur. The Company monitors the estimated amount to be collected at each reporting period based on actual cash collections in order to assess whether a revision to the estimate is required. Payment is typically due after the claim has been processed by the payer, generally 30-120 days from date of service. While management believes that the estimates are accurate, actual results could differ and the potential impact on the financial statements could be significant. The Company recognized revenue for clinical orders of \$235.4 million and \$105.2 million for the three months ended September 30, 2025 and 2024, respectively. The Company recognized revenue for clinical orders of \$638.6 million and \$300.3 million for the nine months ended September 30, 2025 and 2024, respectively.

For direct bill orders from research institutions, pharmaceutical companies, or other third parties, the Company determines the transaction prices based on established contractual rates with the customer, net of any applicable discounts. Payment is typically due between 30 and 60 days following the date of invoice. The Company recognized Genomics revenue for direct bill orders of \$17.5 million and \$11.2 million for the three months ended September 30, 2025 and 2024, respectively. The Company recognized Genomics revenue for direct bill orders of \$49.9 million and \$31.0 million for the nine months ended September 30, 2025 and 2024, respectively.

Data and services

Data and services revenue primarily represents data licensing and clinical trial services that the Company provides to pharmaceutical and biotechnology companies. The Company's arrangements with these customers often have terms that span multiple years. However, these contracts generally also include customer opt-in or early termination clauses after twelve months without contractual penalty. The customer's option to renew is generally not viewed as a material right, and as a result, the Company's contract period for these agreements is generally considered less than one year. The Company determines the transaction price based on established contractual rates with the customer, net of any applicable discounts. The Company recognizes revenue for its Data and services product offering when it has met its performance obligation under the terms of the agreement with the customer. The Company's two product offerings are as follows:

Insights

The Company's Insights product consists primarily of licensing and analysis of de-identified records. Each Insights contract is unique and may include multiple promises, including the delivery of licensed de-identified records, including refreshes, analytical services or access to the Company's enhanced Lens application. The Company evaluates each contract to determine which performance obligations are capable of being distinct and separately identifiable from other promises in the contract and, therefore, represent distinct performance obligations. The actual timing of data deliveries can be based on a variety of factors, including, but not limited to, the customer's requirement and/or the Company's technological, operational, and human capital capacity; in addition, management assesses relevant contractual terms in contracts with customers and applies significant judgment in identifying and accounting for all terms and conditions in certain contracts. The transaction price is allocated to the distinct performance obligations and revenue is recognized once the performance obligation has been fulfilled. The standalone selling prices are based on the Company's normal pricing practices when sold separately with consideration of market conditions and other factors, including customer demographics.

The Company has determined that the delivery of de-identified records and, when applicable, analytical services, and access to its enhanced Lens application are separate and distinct performance obligations. The primary Insights contract types are as follows:

- *Data licensing on a one-time or limited duration basis* – Customer licenses a specific dataset of records, and the Company accounts for individual licensed data records as a right to use license. Revenue is typically recognized upon delivery of the data to the customer, as the Company's obligations for an individual record is complete once the data has been delivered, and the customer is able to benefit from the provision of data as it is received.
- *Multi-year data subscriptions* – Customer licenses de-identified records, and the Company accounts for the service as a right to access license and one performance obligation. Revenue is recognized as access to the dataset is provided, ratably over-time, with the measure of progress time-based.

- *Analytical services and other services* – Services typically involve data analysis and research performed on behalf of the customer by the Company. The resulting delivery of data, or a report addressing a series of questions and analytical results, is considered a single performance obligation. Revenue is generally recognized upon the delivery of these services, as defined by the contract.
- *Enhanced Lens application subscription services* – Customer licenses access to the Company's enhanced Lens application under a software-as-a-service model. Customers do not have the right to take possession of the Lens platform application, and the online software product is fully functional once a customer has access. Lens subscription revenues are recognized ratably over the contract terms beginning on the date the Company's service is made available to the customer. For the periods presented, revenue from Lens subscription services are not material.
- *Cloud hosting services* – The Company provides cloud hosting services to customers via a third party cloud infrastructure provider. Revenue is recognized as the related compute and storage costs are incurred by the customer.

The Company recognized revenue from Insights products of \$69.0 million and \$50.1 million for the three months ended September 30, 2025 and 2024, respectively and \$175.7 million and \$122.1 million for the nine months ended September 30, 2025 and 2024, respectively.

Trials

The Company's Trials product includes TIME clinical trial matching services and other clinical trial services.

TIME consists primarily of matching patients to clinical trial sponsors of a potential match. To the extent the contract requires, the Company may also assist in opening the clinical trial site and enrolling the patient in the clinical trial. The Company has determined that, depending on the type of agreement, the performance obligation of these contracts is the delivery of a notification or the enrollment of a patient in a clinical trial. As such, revenue is recognized upon one of the following: delivery of a notification to the physician alerting them to a clinical trial match, or once a patient is enrolled in a trial. Concurrently, the customer, which is the clinical trial sponsor, also receives notification from the Company to establish the performance obligations delivered or fulfilled for the billing period.

In addition to TIME, the Company provides other clinical trial services conducting or supporting studies. Tempus Compass LLC, a subsidiary of the Company, is a contract research organization ("CRO"), which manages and executes early and late-stage clinical trials, primarily in oncology. Contracts for clinical trial services can take the form of fee-for-service or fixed-price contracts. Fee-for-service contracts are typically priced based on time and materials, and revenue is recognized based on hours and materials used as the services are provided. Fixed-price contracts generally represent a single performance obligation and are recognized over-time using a cost-based input method. Progress on the performance obligation is measured by the proportion of actual costs incurred to the total costs expected to complete the contract. This cost-based method of revenue recognition requires the Company to make estimates of costs to complete its projects on an ongoing basis. Contract costs principally include direct labor and reimbursable out-of-pocket costs.

The Company recognized revenue from Trials products of \$9.2 million and \$10.1 million for the three months ended September 30, 2025 and 2024, respectively, and \$28.7 million and \$31.8 million for the nine months ended September 30, 2025 and 2024, respectively.

For Insights and Trials arrangements, pricing is fixed and the Company may be compensated through a combination of an upfront payment and performance-based, non-refundable payments due upon completion of the stated performance obligation(s). Payment is generally due 60 to 90 days after the date of service. The Company has no significant obligations for refunds, warranties, or similar obligations for Data and services product offerings. The Company has elected the practical expedient, which allows the Company to not disclose remaining performance obligations for contracts with original terms of twelve months or less. Cancelable contracted revenue is not considered a remaining performance obligation. The Company recognized Data and other revenue from pharmaceutical companies, non-for-profits, and researchers of \$81.3 million and \$64.5 million for the three months ended September 30, 2025 and 2024, respectively and \$216.1 million and \$161.4 million for the nine months ended September 30, 2025 and 2024, respectively.

Multi-year Contract Performance Obligations

The Company has limited multi-year contracts that do not contain early termination or customer opt-in clauses. These contracts contained defined, noncancelable performance obligations that will be fulfilled in future years. The Company's remaining performance obligations related to multi-year contracts was \$360.2 million as of September 30, 2025, of which the Company expects to recognize approximately 49% as revenue over the next year, and the remaining 35% and 16% of its remaining performance obligations as revenue in years two and three, respectively.

Contract Assets

Timing of revenue recognition may differ from the timing of invoicing to customers. Certain performance obligations may require payment before delivery of the service to the customer. The Company recognizes contract assets when the Company has an unconditional right to payment, and when revenues earned on a contract exceeds the billings. Contract assets are presented under accounts receivable, net. Accounts receivable as of September 30, 2025 and December 31, 2024 included contract assets of \$12.9 million and \$4.1 million, respectively.

During the fourth quarter of 2021, and in conjunction with the signing of a November 2021 Master Services Agreement (“the MSA”) with customer AstraZeneca AB (“AstraZeneca”), the Company recognized a contract asset for consideration payable concurrent with the issuance of the common stock warrant in accordance with ASC 606. The contract asset was initially measured equal to the initial fair value of the warrant liability based on the authoritative guidance under FASB ASC 718 *Compensation—Stock Compensation*. As revenue is recognized over the period of the contractual commitment of the MSA, the associated contract asset amortization is recorded as reduction of revenue. At each reporting period, the short-term portion of the warrant asset is adjusted based on the financial commitment and reclassified to Prepaid expenses and other current assets. The warrant was terminated for no consideration on December 31, 2024.

In November 2023, the Company entered into a Commercialization and Reference Laboratory Agreement with Personalis, Inc. (“Personalis”), which was subsequently amended in August 2024 and July 2025. The Company agreed to pay up to \$12.0 million to Personalis over three years as certain milestones are met, all of which has been paid as of September 30, 2025. These payments are treated as contract assets and amortized into revenue over the life of the contract. Contract asset balances are offset by deferred revenue generated from receipt of warrants for Personalis common stock (see Note 16). As of September 30, 2025 and December 31, 2024, there was \$5.0 million and \$3.0 million, respectively, of net contract assets related to this agreement recorded in Prepaid expenses and other current assets, respectively.

Deferred Revenue

Deferred revenue consists of billings or cash received for services in advance of revenue recognition and is recognized as revenue when all the Company’s revenue recognition criteria are met. The deferred revenue balance is influenced primarily by upfront contractual payments from the Company’s Data and Services product offerings and timing of delivery of the Company’s de-identified licensed data and clinical test results. The portion of deferred revenue that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as deferred revenue, current and any remaining portion is recorded as deferred revenue, non-current. The Company recognized \$67.0 million and \$53.9 million during the nine months ended September 30, 2025 and 2024, respectively, that was included in the corresponding deferred revenue balance at the beginning of the periods.

4. BUSINESS COMBINATIONS

Paige.AI, Inc.

On August 22, 2025, (the "Paige Closing Date"), the Company completed its acquisition (the "Paige Acquisition") of Paige.AI, Inc. ("Paige"), a Delaware corporation, pursuant to an Agreement and Plan of Merger. Paige is an AI company specializing in digital pathology. The Paige Acquisition is expected to allow the Company to grow its dataset and establish a strong footprint in digital pathology with an industry leading technology portfolio.

The Company acquired all of the issued and outstanding shares of Paige. The acquisition resulted in goodwill of \$142.4 million. No goodwill is expected to be deductible for tax purposes. The aggregate acquisition date fair value of consideration for the Paige Acquisition totaled \$102.7 million. Consideration consisted of \$3.0 million of cash and the issuance of an aggregate of 1,272,151 shares of the Company's Class A common stock (the "Paige Stock Consideration"), which was valued at \$80.52 per share, the closing price of the Company's Class A common stock on the Paige Closing Date.

A portion of the Paige Stock Consideration was paid to employees as consideration for transaction bonuses. Paige will pay approximately \$2.7 million to fulfill employee tax obligations related to the issuance. The equivalent will be withheld from those employees in the Company's Class A common stock and will be included in treasury stock. In accordance with the terms of the agreement, \$6.9 million in equity consideration was held back and is payable within five business days of August 22, 2026. The \$6.9 million holdback liability is recognized within Other long-term liabilities. The holdback liability is remeasured at fair value in each period following the closing with changes in fair value recorded within Selling, general and administrative expense.

The Company incurred \$0.4 million and \$0.9 million of transaction costs related to the Paige Acquisition during the three and nine months ended September 30, 2025, respectively, all of which was recorded within Selling, general and administrative expense in the consolidated statement of operations.

The following table summarizes the allocation of the aggregate purchase price of the Paige Acquisition (in thousands):

Assets			
Cash		\$	2,851
Accounts receivable			761
Prepaid expenses and other current assets			5,011
Total current assets		\$	8,623
Property and equipment, net			1,116
Operating lease right-of-use assets			7,968
Investments and other assets			240
Restricted cash			2,870
Total assets acquired		\$	20,817
Liabilities			
Accounts payable		\$	538
Accrued expenses			3,849
Operating lease liabilities			1,887
Deferred revenue			238
Total current liabilities		\$	6,513
Deferred revenue, less current portion			908
Operating lease liabilities, less current portion			13,058
Other long-term liabilities			39,951
Total liabilities assumed		\$	60,430
Net assets acquired and liabilities assumed		\$	(39,613)
Goodwill		\$	<u>142,352</u>
Cash consideration		\$	2,983
Stock consideration			<u>99,756</u>
Total acquisition price		\$	<u>102,739</u>

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of the acquired company and expected growth in the Company's dataset. The Company also assumed \$39.5 million of remaining purchase commitments under Paige's Microsoft Azure cloud services agreement in excess of forecasted usage, which is recorded in Other long-term liabilities.

The following pro forma information shows the results of the Company's operations as though the acquisition had occurred as of the beginning of the comparable period, January 1, 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	\$ 334,470	\$ 181,366	\$ 905,437	\$ 494,172
Net loss	(83,719)	(84,863)	(208,189)	(722,266)

The pro forma amounts have been calculated after applying the Company's accounting policies and adjusting the results of Paige to reflect acquisition-related transaction costs and the additional depreciation that would have been charged assuming the fair value adjustments to property and equipment, net had been applied from January 1, 2024. The pro forma financial information for the three and nine months ended September 30, 2024 combines the Company's financial results and the historical results of Paige for the three and nine months ended September 30, 2025 and 2024. The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the actual results of operations had the acquisition taken place as of the beginning of the period presented, or the results that may occur in the future.

For the three and nine months ended September 30, 2025, Paige contributed an immaterial amount in net revenue within Data and services revenue and \$2.4 million of net loss to the consolidated Tempus results.

Pursuant to ASC 805, Business Combinations, the Company accounted for the Paige Acquisition as a business combination under the acquisition method of accounting. The valuation of assets acquired and liabilities assumed has not been finalized as of September 30, 2025. While all amounts remain subject to adjustments, the areas subject to the most significant potential adjustments are the assumed remaining purchase commitments. As a result, the Company recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the Paige Closing Date.

Ambry Genetics Corporation

On February 3, 2025 (the "Closing Date"), the Company completed its acquisition (the "Ambry Acquisition") of Ambry Genetics Corporation, a Delaware corporation ("Ambry"), pursuant to a Securities Purchase Agreement (the "Purchase Agreement") entered into on November 4, 2024 with Realm, IDX, Inc., a Delaware corporation (the "Seller") and the Seller's ultimate parent, Konica Minolta, Inc., a Japanese corporation, as guarantor.

The Company acquired all of the issued and outstanding shares of capital stock of Ambry. Consideration for the acquisition consisted of \$375.0 million in cash, subject to adjustment for cash, unpaid indebtedness, unpaid transaction expenses and net working capital of Ambry, plus the issuance of an aggregate of 4,843,136 shares of the Company's Class A common stock (the "Stock Consideration"). Stock Consideration was valued at \$61.54 per share, which was the closing price of the Company's Class A common stock on the Closing Date. Pursuant to the terms of the Purchase Agreement, 2,152,505 shares issued as Stock Consideration are subject to a lock-up for a period of one year following the Closing Date. The Company was an Ambry customer prior to the acquisition and, pursuant to that preexisting relationship, owed \$3.8 million to Ambry as of the Closing Date. This balance was effectively settled upon the Ambry Acquisition and was treated as a reduction to consideration transferred. The net working capital adjustment was finalized as of September 30, 2025, resulting in a decrease to the acquisition price of \$3.0 million which was recorded to goodwill.

Ambry is a leader in hereditary cancer screening. The Ambry Acquisition provides the Company with expanded testing capabilities for inherited cancer risk. In addition, the Ambry Acquisition complements the Company's strategy of using data to advance clinical and scientific innovation. Ambry's extensive product offerings will allow the Company to expand into new disease categories, including pediatrics, rare disease, immunology, women's reproductive health, and cardiology.

The Company incurred \$7.3 million of transaction costs related to the Ambry Acquisition, of which \$0.1 million and \$4.6 million were recorded within Selling, general and administrative expense in the consolidated statement of operations during the three and nine months ended September 30, 2025, respectively.

The following table summarizes the allocation of the aggregate purchase price of the Ambry Acquisition (in thousands):

Assets		
Cash	\$	20,555
Accounts receivable		62,853
Inventory		11,188
Prepaid expenses and other current assets		10,153
Total current assets	\$	104,749
Property and equipment, net		38,560
Operating lease right-of-use assets		26,198
Investments and other assets		268
Customer relationships		234,000
Trade names		33,000
Developed technology - software		18,000
Developed technology - biotech		114,000
Total assets acquired	\$	568,775
Liabilities		
Accounts payable	\$	199
Accrued expenses		28,870
Operating lease liabilities		3,008
Deferred revenue		1,347
Total current liabilities	\$	33,424
Deferred revenue, less current portion		1,099
Operating lease liabilities, less current portion		23,259
Deferred tax liabilities		46,468
Other long-term liabilities		368
Total liabilities assumed	\$	104,618
Net assets acquired and liabilities assumed	\$	464,157
Goodwill	\$	<u>228,186</u>
 Cash consideration	\$	394,296
Stock consideration		298,047
Total acquisition price	\$	<u>692,343</u>

The excess of purchase consideration over the fair value of the net assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce of the acquired company and expected growth from the horizontal integration of Ambry's genomics testing. \$0.6 million of goodwill is expected to be deductible for tax purposes. The identifiable intangible assets acquired consisted of customer relationships, developed technology - biotech, developed technology - software, and trade names.

The fair value of customer relationships was estimated using the multi period excess earnings method, which isolates the net earnings attributable to the asset being measured. Significant assumptions used in the valuation of customer relationships included forecasted revenue and expenses, customer attrition, and discount rate.

The fair values of developed technology - biotech, developed technology - software, and trade names were estimated using the relief from royalty method, which considers the market-based royalty a company would pay to enjoy the benefits of the trade name or technology in lieu of actual ownership of the trade name or technology. Significant assumptions used in the valuation of these assets included forecasted revenue and expenses, royalty rate, and discount rate. In addition, the valuation of developed technology assets included assumed obsolescence rates.

As described, the valuation of identifiable intangible assets acquired required various estimates and assumptions. Accordingly, the purchase price adjustments are preliminary and are subject to further adjustments as additional information becomes available and additional analyses are performed, and such further adjustments may be material. The Company's management believes the fair values recognized for the assets acquired and liabilities assumed are based on reasonable estimates and assumptions.

Estimated useful lives of the identifiable intangible assets acquired are as follows:

	Useful Life
Customer relationships	7 years
Trade names	7 years
Developed technology - software	3 years
Developed technology - biotech	5 years

The following pro forma information shows the results of the Company's operations as though the acquisition had occurred as of the beginning of the comparable period, January 1, 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	\$ 334,206	\$ 258,171	\$ 937,501	\$ 574,914
Net loss	(79,850)	(85,872)	(229,573)	(646,588)

The pro forma amounts have been calculated after applying the Company's accounting policies and adjusting the results of Ambry to reflect the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property and equipment, net and intangible assets had been applied from January 1, 2024. The pro forma financial information for the three and nine months ended September 30, 2024 combines the Company's financial results and the historical results of Ambry for the three and nine months ended September 30, 2025 and 2024. Included in the adjustment is a \$46.2 million tax benefit for the nine months ended September 30, 2025 from the release of a portion of the valuation allowance attributable to estimated deferred tax liabilities as of the opening balance sheet. The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the actual results of operations had the acquisition taken place as of the beginning of the period presented, or the results that may occur in the future.

For the three months ended September 30, 2025, Ambry contributed \$102.6 million in net revenue within Genomics revenue and \$2.4 million of net income to the consolidated Tempus results. For the nine months ended September 30, 2025, Ambry contributed \$263.4 million in net revenue within Genomics revenue and \$10.1 million of net income to the consolidated Tempus results.

Pursuant to ASC 805, Business Combinations, the Company accounted for the Ambry Acquisition as a business combination under the acquisition method of accounting. The valuation of assets acquired and liabilities assumed has not been finalized as of September 30, 2025. While all amounts remain subject to adjustments, the areas subject to the most significant potential adjustments are intangible assets and deferred income taxes. As a result, the Company recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the Closing Date.

Deep 6

On March 11, 2025, the Company acquired all of the issued and outstanding interests of Deep 6 AI, Inc. ("Deep 6"), a Delaware corporation (the "Deep 6 Acquisition"), that enables healthcare organizations to de-risk clinical trials, accelerate recruitment, and generate real-world evidence with speed and precision. Deep 6's AI-powered software matches patients to clinical trials by mining real-time structured and unstructured electronic medical record data across a broad ecosystem.

The acquisition resulted in goodwill of \$21.1 million. The aggregate acquisition date fair value of consideration for the Deep 6 Acquisition totaled \$17.4 million. Consideration consisted of \$4.3 million of cash and \$13.1 million of the Company's Class A common stock. In accordance with the terms of the agreement, \$0.8 million in equity consideration was held back and is payable within five business days of March 11, 2026. The \$0.8 million holdback liability is recognized within Other long-term liabilities. The holdback liability is remeasured at fair value in each period following the closing within selling, general and administrative expense.

SEngine

On October 3, 2023, the Company acquired all of the issued and outstanding interests of SEngine Precision Medicine LLC (“SEngine”), a Delaware limited liability company. The acquisition gives the Company access to SEngine’s meaningful organoid repository, advanced bioinformatics capabilities, and PARIS test platform.

The acquisition resulted in goodwill of \$9.6 million. The aggregate acquisition date fair value of consideration for the SEngine acquisition totaled \$9.9 million. Consideration consisted of \$2.8 million of cash and \$6.3 million of non-voting common stock. The transaction also includes contingent consideration of up to 35,000 additional shares of non-voting common stock if a liquidity event is completed prior to December 31, 2027. The contingent consideration liability is remeasured at fair value in each period following the closing within selling, general and administrative expense. In accordance with the terms of the agreement, \$1.4 million in equity was held back and is payable on October 3, 2024, which is net of a net working capital adjustment less than \$0.1 million. The Company issued 429 shares of non-voting common stock to the selling corporation in February 2024 related to the net working capital adjustment. In December 2024, the Company issued 19,620 shares of the Company's Class A common stock as payment of the contingent consideration. As of September 30, 2025, no other amounts are due under the contingent consideration or holdback agreements.

Mpirik

On March 8, 2023, the Company acquired all of the issued and outstanding interests of Mpirik, Inc. (“Mpirik”), a cardiology-focused healthcare technology company specializing in data-driven patient screening, automated care coordination, and clinical research. Mpirik’s platform adds to the Company’s existing portfolio to address the way heart disease is detected, diagnosed, and treated, further expanding Tempus’s cardiology business. The acquisition resulted in goodwill of \$10.6 million. The aggregate acquisition date fair value of consideration for the Mpirik acquisition totaled \$9.7 million. Consideration was made up of \$4.6 million of non-voting common stock, \$4.7 million of cash, and contingent consideration payable in cash with an acquisition date fair value of \$0.4 million. In accordance with the terms of the agreement, \$0.8 million in cash consideration and \$0.3 million in equity consideration was held back and paid on March 11, 2024. In accordance with the equity consideration held back, the Company issued 8,724 shares of non-voting common stock to Mpirik shareholders in March 2024.

5. BALANCE SHEET COMPONENTS

Property and Equipment, Net

The following summarizes property and equipment, net as of September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2025	December 31, 2024
Equipment	\$ 139,453	\$ 110,011
Leasehold improvements	62,931	46,809
Furniture and fixtures	6,946	6,633
Building	1,234	—
Land	9,850	—
Total property and equipment, gross	220,414	163,453
Less: accumulated depreciation	(129,704)	(105,397)
Property and equipment, net	<u>\$ 90,710</u>	<u>\$ 58,056</u>

Depreciation expense on property and equipment is classified as follows in the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenue, genomics	\$ 3,939	\$ 3,723	\$ 11,574	\$ 10,397
Cost of revenue, data and services	145	—	428	—
Selling, general and administrative costs	4,036	3,065	12,348	9,075
Total depreciation	<u>\$ 8,120</u>	<u>\$ 6,788</u>	<u>\$ 24,350</u>	<u>\$ 19,472</u>

Accrued Expenses

Accrued expenses as of September 30, 2025 and December 31, 2024, consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Accrued compensation and employee benefits	\$ 40,313	\$ 24,767
Accrued expenses	80,295	51,147
Accrued employer payroll tax related to stock-based compensation	2,090	24,439
Accrued cloud storage costs	36,684	21,394
Interest payable	1,391	8,660
Total accrued expenses	<u>\$ 160,773</u>	<u>\$ 130,407</u>

6. GOODWILL AND INTANGIBLES

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. During the nine months ended September 30, 2025, goodwill of \$391.7 million was recorded in connection with the Paige Acquisition, Ambry Acquisition, and Deep 6 Acquisition. During the three months ended September 30, 2025, goodwill of \$142.4 million was recorded in connection with the Paige Acquisition. There were no goodwill additions for the three and nine months ended September 30, 2024. The Company recorded no impairment loss during the three and nine months ended September 30, 2025 and 2024.

Intangible assets

Intangible assets are initially recorded at their acquisition cost, or fair value if acquired as part of a business combination and amortized over their estimated useful lives. Intangible assets consist of a website domain, customer relationships, trade names, capitalized software and developed technology acquired as part of a business combination, and licensed data acquired by entering into research collaboration agreements. In each license arrangement, the other party provides the Company with specified data, which is used for research and development purposes and may also be licensed to third parties. The asset represents the Company's right to use these datasets. The Company also recognizes a liability for the associated minimum payments that are presented within accrued data licensing fees.

During the three months ended September 30, 2025 the Company recorded \$1.3 million in capitalized software and \$2.9 million in licensed data. During the nine months ended September 30, 2025, the Company recorded an additional \$234.0 million in customer relationships, \$114.0 million in developed technology - biotech, \$33.0 million in trade names, \$18.0 million in developed technology - software, \$8.6 million in licensed data, and \$4.6 million in capitalized software. During the three and nine months ended September 30, 2024, the Company recorded \$0.7 million in licensed data related to de-identified data obtained through an amended agreement.

There were no impairment charges recognized related to intangible assets during the three and nine months ended September 30, 2025 and 2024, respectively.

The following table summarizes intangible assets as of September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2025			December 31, 2024		
	Gross Amount	Accumulated Amortization	Net	Gross Amount	Accumulated Amortization	Net
Customer relationships	\$ 254,550	\$ 39,746	\$ 214,804	\$ 20,550	\$ 15,606	\$ 4,944
Licensed data	28,601	21,492	7,109	20,010	17,828	2,182
Website domain	19	—	19	19	—	19
Trade names	41,000	7,429	33,571	8,000	3,429	4,571
Capitalized software	4,635	62	4,573	—	—	—
Developed technology - biotech	114,000	4,000	110,000	—	—	—
Developed technology - software	18,000	15,200	2,800	—	—	—
	<u>\$ 460,805</u>	<u>\$ 87,929</u>	<u>\$ 372,876</u>	<u>\$ 48,579</u>	<u>\$ 36,863</u>	<u>\$ 11,716</u>

Amortization of intangible assets is recognized using the straight-line method over their estimated useful lives, which range from three to seven years. Amortization expense was \$18.9 million and \$2.7 million for the three months ended September 30, 2025 and 2024, respectively, and \$51.1 million and \$8.3 million for the nine months ended September 30, 2025 and 2024, respectively, and is recorded in Cost of revenues, research and development, or Selling, general and administrative expense, depending on use of the asset. The weighted average life of the Company's intangibles is approximately six years.

As of September 30, 2025, the estimated future amortization expense related to intangible assets is as follows (in thousands):

10/1/2025 - 12/31/2025	\$ 19,189
2026	74,992
2027	70,144
2028	63,801
2029	62,159
2030	41,005
Thereafter	41,567
Total	<u>\$ 372,857</u>

7. JOINT VENTURE

SB Tempus

On May 18, 2024, the Company entered into a Joint Venture Agreement (the "Joint Venture Agreement") with SoftBank Group Corporation ("SoftBank") to form SB Tempus Corp. (the "Joint Venture" or "SB Tempus"). The Joint Venture closed on July 18, 2024, at which time the Company and SoftBank each contributed ¥15 billion (\$95.2 million). Each party received 50% of SB Tempus's outstanding capital stock and board seats. SB Tempus will engage in certain business activities in Japan similar to those conducted by the Company in the United States, including performing clinical sequencing, organizing patient data, and building a real world data business in Japan.

SB Tempus is considered a VIE as the Company does not have sufficient equity at risk and is entitled to receive residual returns of SB Tempus through its equity stake. Decisions that significantly impact the economic performance of SB Tempus require the consent of both the Company and SoftBank. Therefore, the Company concluded that neither party is deemed to have predominant control over SB Tempus, and the Company is not considered to be the primary beneficiary.

The Company's maximum exposure to loss from SB Tempus is equal to the carrying value of the Company's investment. As of September 30, 2025, the carrying value of the investment in SB Tempus was \$94.4 million. The Company's share of losses from SB Tempus are recorded in Other income (expense), net.

In connection with entering into the Joint Venture Agreement, the Company entered into a Data License Agreement (the "Data License Agreement"), under which the Company granted SB Tempus a limited, non-exclusive, transferable license with a limited right to sublicense certain de-identified data for certain specified uses solely in Japan. Under the Data License Agreement, SB Tempus paid the Company ¥7.5 billion (\$47.9 million) in exchange for the license to an initial records batch, which is recorded in deferred revenue and will be recognized into data and services revenue over the term of the license subscription which ends on March 31, 2026. For the three months ended September 30, 2025 and 2024, the Company recognized \$6.2 million and \$6.3 million, respectively, in Data and services revenue related to the Data License Agreement. For the nine months ended September 30, 2025 and 2024, the Company recognized \$18.7 million and \$10.4 million, respectively, in Data and services revenue related to the Data License Agreement.

In addition, on July 18, 2024, the Company and SB Tempus entered into an Intellectual Property Agreement (the "IP License Agreement") under which SB Tempus paid the Company an additional ¥7.5 billion (\$47.9 million) in exchange for a non-exclusive license to certain of the Company's technologies for certain specified uses solely in Japan. The payment is recorded in deferred other income and will be amortized into Other income (expense), net over three years, based on the estimated time for SB Tempus' systems and technologies to diverge from the Company's. For each of the three months ended September 30, 2025 and 2024, the Company recognized \$4.0 million related to the IP License Agreement. For the nine months ended September 30, 2025 and 2024, the Company recognized \$12.0 million and \$4.0 million, respectively, related to the IP License Agreement.

8. COMMITMENTS AND CONTINGENCIES

Purchase Obligations

The Company has entered into non-cancelable arrangements with third parties, primarily related to data licenses and cloud computing services. Where applicable, the Company calculates its obligation based on termination fees that can be paid to exit the contract. The data license agreements include committed payments for access to the data and additional payments contingent on the commercialization of such data. For the three months ended September 30, 2025 and 2024, the Company recognized data licensing and cloud computing expenses of \$15.0 million and \$10.0 million, respectively, related to non-cancelable arrangements. For the nine months ended September 30, 2025 and 2024, the Company recognized data licensing and cloud computing expenses of \$38.3 million and \$30.5 million, respectively, related to non-cancelable arrangements.

As of September 30, 2025, future payments under these contractual obligations were as follows (in thousands):

10/1/2025 - 12/31/2025		\$ 14,691
2026		45,161
2027		78,343
2028		29,517
2029		24,225
2030 and thereafter		2,667
Total purchase obligations		194,604
Less: Current portion of purchase obligations		50,686
Total long-term purchase obligations	\$	<u>143,918</u>

Legal Matters

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings. There were no material such matters as of and for the three and nine months ended September 30, 2025 and 2024.

9. LEASES

The Company has entered into various non-cancelable operating lease agreements, primarily for the rent of office and lab space, with expirations at various dates through 2036. Lease cost is recognized on a straight-line basis over the lease term. Variable lease costs, which include items such as real estate taxes, common area maintenance, utilities, and storage are not included in the calculation of the right-of-use assets and are recognized as incurred.

The components of total lease costs for the three and nine months ended September 30, 2025 and 2024 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 3,293	\$ 1,418	\$ 7,866	\$ 4,670
Variable lease cost	2,179	1,511	5,777	4,394
Short-term lease costs	255	179	899	540
Sublease income	(162)	(23)	(251)	(68)
Total lease costs	<u>\$ 5,565</u>	<u>\$ 3,085</u>	<u>\$ 14,291</u>	<u>\$ 9,536</u>

Lease term and discount rate as of September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Weighted-average remaining lease term (in years)		
Operating leases	7.2	5.1
Weighted-average discount rate		
Operating leases	6.1%	6.8%

As of September 30, 2025, the future payments under operating leases for each of the next five years and thereafter are as follows (in thousands):

	Operating Leases
10/1/2025 - 12/31/2025	\$ 3,949
2026	13,240
2027	17,823
2028	16,570
2029	14,970
2030	12,504
Thereafter	34,890
Total minimum lease payments	<u>113,946</u>
Less: Amount representing interest	<u>23,806</u>
Present value of net minimum lease payments	<u>90,140</u>
Less: Current portion of lease liabilities	<u>12,417</u>
Total long-term lease liabilities	<u><u>\$ 77,723</u></u>

10. STOCKHOLDERS' EQUITY

Common Stock

Prior to the initial public offering of the Company's Class A common stock ("IPO"), the Company had authorized two classes of common stock, voting and non-voting. In March 2021, the Company amended its certificate of incorporation to bifurcate the voting common stock into two classes, Class A common stock and Class B common stock. As of December 31, 2023, the Company had authorized 200,228,024 shares of Class A common stock, 5,374,899 shares of Class B common stock, and 66,946,627 shares of non-voting common stock. In April 2024, the Company increased the number of authorized shares of Class A common stock to 204,590,500 in conjunction with the Series G-5 Preferred stock financing (see Note 11, Redeemable Convertible Preferred Stock). In connection with the IPO, the Restated Certificate became effective, which authorized 1,000,000,000 shares of Class A common stock, 5,500,000 shares of Class B common stock, and 20,000,000 shares of preferred stock.

Class A common stock and Class B common stock are collectively referred to as "Common Stock" throughout the notes to these unaudited interim condensed consolidated financial statements unless otherwise noted.

The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to thirty votes per share. Prior to the IPO, the Company also had shares of non-voting common stock authorized and outstanding, which were not entitled to any voting rights. Following the IPO, no shares of non-voting common stock are authorized or outstanding.

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock.

Under the Restated Certificate, any holder's shares of Class B common stock will convert automatically into Class A common stock, on a one-to-one basis, upon certain circumstances, including: (1) the sale or transfer of such shares of Class B common stock, other than to a "controlled entity," which is any person or entity which, directly or indirectly, is controlled by, or is under common control with, the holder of such shares of Class B common stock; (2) the trading day that is no less than 90 days and no more than 150 days following the twenty-year anniversary of the filing of the Restated Certificate, which was filed with the Secretary of State of the State of Delaware on June 17, 2024; (3) the date on which Mr. Lefkofsky is no longer providing services to the Company as an executive officer or member of the board of directors; and (4) the trading day that is no less than 90 days and no more than 150 days following the date that Mr. Lefkofsky and his controlled entities hold, in the aggregate, fewer than 10,000,000 shares of the Company's capital stock (as adjusted for stock splits, stock dividends, combinations, subdivisions and recapitalizations).

Once transferred and converted into Class A common stock, the Class B common stock may not be reissued.

The Company issues stock-based awards to its employees in the form of stock options, restricted stock units, performance stock units and restricted stock, all of which have the potential to increase the outstanding shares of common stock in the future (see Note 12, Stock-Based Compensation).

Upon any liquidation, dissolution, or winding-up, the holders of Class A common stock and Class B common stock will be entitled to share equally, identically, and ratably in all assets remaining after the payment of any liabilities, liquidation preferences, and accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class.

Common Stock Warrant

In connection with the MSA with AstraZeneca, the Company granted AstraZeneca warrants to purchase \$100 million in shares of the Company's Class A common stock at an exercise price equal to the IPO price of \$37.00 per share. The number of shares of Class A common stock issuable upon exercise of the warrant is 2,702,703, based on the IPO price of \$37.00 per share.

The warrant was automatically cancelled and terminated for no consideration as AstraZeneca declined to extend its financial commitment before December 31, 2024. See Note 16 for further information.

On December 8, 2023, the Company issued Allen a warrant to purchase 150,000 shares of the Company's Class A common stock at a price per share of \$10.00. The warrant was issued as compensation for Allen's assistance with the issuance of the Company's Series G-4 preferred stock, and as such has been treated as an issuance cost and presented net of proceeds from Series G-4 preferred stock in Convertible redeemable preferred stock on the Company's consolidated balance sheet. In connection with the IPO, the Company issued 109,459 shares of Class A common stock upon the net exercise of the warrant.

At the Market Sales Agreement

On August 8, 2025, the Company entered into a Controlled Equity OfferingSM Sales Agreement (the "Sales Agreement") with Morgan Stanley & Co., LLC, Cantor Fitzgerald & Co., TD Securities (USA), LLC and Allen & Company LLC, as sales agents (collectively, the "Sales Agents"), pursuant to which the Company may offer and sell from time to time, at its option, shares of Class A common stock through the Sales Agents (the "ATM"). The issuance and sale, if any, of shares of Class A Common Stock under the Sales Agreement will be made pursuant to an automatically effective registration statement on Form S-3 and the related prospectus included therein (the "ATM Prospectus"), which was filed with the SEC on August 8, 2025. In accordance with the terms of the Sales Agreement, under the ATM Prospectus, the Company may offer and sell shares of Class A common stock having an aggregate offering price of up to \$500.0 million from time to time through the Sales Agents.

For the three and nine months ended September 30, 2025, the Company sold 2,381,895 shares under the ATM at a weighted average price of \$83.97 per share for total proceeds of \$195.5 million, net of \$4.5 million in commissions. In connection with the entry of the Sales Agreement and filing of the ATM Prospectus, the Company incurred \$0.8 million of deferred offering costs, which were reclassified as a reduction of paid-in-capital upon completion of the sale. As of September 30, 2025, approximately \$300.0 million remained available for sale pursuant to the Sales Agreement and ATM Prospectus.

11. REDEEMABLE CONVERTIBLE PREFERRED STOCK

In October 2023, the Company issued 785,245 shares of Series G-4 convertible preferred stock ("Series G-4 Preferred") for aggregate proceeds of \$45.0 million. Each share had a par value of \$0.0001. Under the terms of Series G-4 Preferred, holders receive an amount equal to 5% of the per share original issue price for each share of Series G-4 Preferred (the "G-4 Special Payment"), in the event that following an IPO, the average of the last trading price on each trading day during the ten day trading period beginning on the first day of trading of the Company's Class A common stock is less than 110% of the price per share of Class A common stock sold in the IPO. Following the Company's IPO, the average ten day trading price was less than 110% of the price per share of Class A common stock sold in the IPO. As such, holders of Series G-4 Preferred were owed an aggregate payment of \$2.3 million, which was made in July 2024.

In January 2024, the Company issued 66,465 shares of Series G-3 convertible preferred stock and 10,666 shares of Series G-4 convertible preferred stock as payment of paid-in-kind dividends.

In April 2024, the Company issued 3,489,981 shares of Series G-5 convertible preferred stock ("Series G-5 Preferred") for aggregate proceeds of \$200.0 million. Each share has a par value of \$0.0001. The Company will use the proceeds for working capital and general corporate purposes.

In connection with the IPO, all of the Company's then-outstanding shares of redeemable convertible preferred stock and accrued but unpaid dividends were automatically converted into 71,976,178 shares of Class A voting common stock and 5,043,789 shares of Class B voting common stock.

12. STOCK-BASED COMPENSATION

2015 Stock Plan

In 2015, the Company adopted the Tempus AI, Inc. 2015 Stock Plan (the “2015 Plan”), which has been amended and restated numerous times to increase the aggregate shares authorized to be issued to employees, consultants, and directors of the Company. As of December 31, 2023, there were 28,115,750 shares authorized under the 2015 Plan.

On January 18, 2023, the Company approved a two-year extension of the expiration date of RSUs for then-current employees whose RSUs would otherwise expire in 2023 or 2024. The Company accounted for the extension as a stock compensation modification, which resulted in an increase in unrecognized compensation cost of \$35.3 million at the time the extension was approved and an additional \$12.2 million as the extensions occurred. The RSUs approved for the two-year extension were fully vested as of the IPO date. As such, the Company recognized the full impact of the expiration extension in stock-based compensation in the three months ended June 30, 2024.

After the IPO, no further grants will be made under the 2015 Stock Plan.

2024 Equity Incentive Plan

In February 2024, the Company’s board of directors adopted, and in April 2024, the Company’s stockholders approved, the 2024 Equity Incentive Plan (the “2024 Plan”), which became effective in connection with the IPO in June 2024. The 2024 Plan provides for the grant of incentive stock options, (“ISOs”) nonstatutory stock options, stock appreciation rights, RSUs, restricted stock unit awards (“RSAs”), performance-based restricted stock awards (“PSUs”) and other awards. The original maximum number of shares of Class A common stock that may be issued under the 2024 Plan was 7,430,000 shares of the Company’s Class A common stock and automatically increases on January 1 of each year, beginning on January 1, 2025 and continuing through and including January 1, 2034 in an amount equal to either (i) a number of shares of the Company’s Class A common stock (the “Evergreen Increase”), such that the sum of (x) the remaining number of shares available under the 2024 Plan and (y) the Evergreen Increase is equal to 5% of the total number of shares of common stock (both Class A and Class B) outstanding on December 31 of the preceding calendar year, or (ii) a lesser number of shares determined by the Company’s board of directors prior to the applicable January 1. The maximum number of shares that may be issued upon the exercise of ISOs under the 2024 Plan is 22,290,000 shares. As of September 30, 2025, there were 3,356,949 shares of the Company’s Class A common stock that may be issued under the 2024 Plan.

RSUs

The Company granted 495,389 and 2,334,059 RSUs during the three and nine months ended September 30, 2025, respectively.

PSUs

The Company granted 2,569,600 PSUs during the three and nine months ended September 30, 2025, with a weighted-average grant date fair value of \$53.32.

50% of the PSUs are subject to a performance condition, which is based on the Company’s compound revenue growth ("CRG") during three overlapping performance periods (the "Performance Periods")—calendar year 2025 ("First Performance Period"), calendar years 2025 and 2026 ("Second Performance Period"), and calendar years 2025, 2026 and 2027 ("Third Performance Period" and, together with the First Performance Period and the Second Performance Period, the "Performance Periods") and subject to a service condition of a required period of continued employment from the vesting start date.

50% of the PSUs are subject to a market condition, which is based on a comparison of the Company’s total shareholder return ("TSR") to the return of the Nasdaq Composite Index during each Performance Period and subject to a service condition of a required period of continued employment from the vesting start date.

If either the performance condition or market condition is not achieved during one of the first two Performance Periods, but is achieved during the Third Performance Period, any PSUs with respect to such performance condition or market condition that had not previously been earned will vest on the final vesting date, subject to the employee’s continued service through such date. As both the CRG and TSR PSUs have a performance or market condition that include graded vesting features, the Company recognizes stock-based compensation expense using the graded vesting method over the requisite service period for each separately vesting tranche of the award.

The fair value of the CRG PSUs is equal to the stock price on the date of grant. The requisite service period for the CRG PSUs is 18 months, 27 months, and 36 months for the First, Second, and Third Performance Period, respectively. The fair value of the TSR

PSUs is established using a Monte Carlo simulation model for each tranche. The requisite service period for the TSR PSUs is 12 months, 24 months, and 36 months for the First, Second, and Third Performance Period, respectively. The following assumptions were used in the Monte Carlo simulation model in determining the fair value of TSR PSUs granted:

	First Performance Period	Second Performance Period	Third Performance Period
Expected term (in years)	1.02 or 3.02	2.02 or 3.02	3.02
Risk-free interest rate	3.63% - 3.88%	3.63% - 3.68%	3.63%
Expected volatility	75.00%	75.00%	75.00%
NASDAQ volatility	20.00%	20.00%	20.00%
Expected dividend yield	0.00%	0.00%	0.00%

RSAs

The Company granted 0 and 26,059 RSAs during the three and nine months ended September 30, 2025, respectively. Stock-based compensation on these awards is recognized on a straight-line basis over the requisite service periods of the awards.

Stock-based compensation is classified as follows in the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenues, genomics	\$ 1,631	\$ 1,083	\$ 4,086	\$ 12,410
Cost of revenues, data and services	894	916	2,198	8,145
Technology research and development	5,463	3,929	12,067	54,363
Research and development	3,301	2,554	7,618	44,787
Selling, general and administrative	22,690	12,556	53,439	389,646
Total stock-based compensation	\$ 33,979	\$ 21,038	\$ 79,408	\$ 509,351

As of September 30, 2025, unrecognized stock-based compensation was \$296.8 million and is expected to be recognized over the next 2.5 years.

13. DEBT

Convertible Senior Notes

On July 3, 2025, the Company completed a private offering (the "Offering") of \$750.0 million aggregate principal amount of 0.75% Convertible Senior Notes due 2030 (the "Notes"). The Company's net proceeds from the Offering were \$725.7 million, after deducting the initial purchasers' discount and commissions and offering expenses payable by the Company.

The Notes are general unsecured obligations of the Company and will mature on July 15, 2030. Interest on the Notes will accrue at a rate of 0.75% per year from July 3, 2025 and will be payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2026. The Notes are convertible at the option of the noteholders prior to April 15, 2030, only upon satisfaction of one or more of the following conditions:

- (1) During any calendar quarter, commencing after the fiscal quarter ending on September 30, 2025, if the last reported sale price of the Company's Class A common stock, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the Notes on each applicable trading day;
- (2) During the five business day period after any ten consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of the Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class A common stock and the conversion rate for the Notes on each such trading day;
- (3) If the Company calls the Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- (4) Upon the occurrence of specified corporate events.

On or after April 15, 2030, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Notes at their option at any time, regardless of the foregoing conditions. Upon conversion, the Company will pay or deliver cash, shares of the Company's Class A common stock or a combination of cash and shares of the Company's Class A common stock, at the Company's election.

The conversion rate for the Notes is 11.8778 shares of the Company's Class A common stock per \$1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately \$84.19 per share of the Company's Class A common stock. The conversion rate is subject to adjustment under certain circumstances.

On or after July 20, 2028, the Company may redeem for cash all or any portion of the Notes if the last reported sale price of the Company's Class A common stock has been at least 130% of the conversion price for the Notes for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, to, but excluding, the redemption date. If the Company redeems less than all the outstanding Notes, at least \$100.0 million aggregate principal amount of Notes must be outstanding and not subject to redemption. No sinking fund is provided for the Notes.

If the Company undergoes a fundamental change (as defined in the indenture governing the Notes), then, subject to certain conditions and exceptions, noteholders may require the Company to repurchase for cash all or any portion of their Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, to, but excluding, the fundamental change repurchase date.

The initial purchasers' discount of \$23.5 million and deferred financing fees of \$0.8 million on the Notes are amortized over the term of the underlying debt and unamortized amounts have been offset against the Notes, net in the consolidated balance sheets. As of September 30, 2025, the unamortized initial purchasers' discount and deferred financing fees on the Notes was \$22.4 million and \$0.8 million, respectively. Amortization of the initial purchasers' discount and deferred financing fees are reflected in interest expense on the consolidated statements of operations. Amortization of the initial purchasers' discount totaled \$1.1 million for the three and nine months ended September 30, 2025.

During the nine months ended September 30, 2025, the Company made no interest payments on the Notes. The Company recognized interest expense of \$1.4 million related to the Notes, during the three and nine months ended September 30, 2025, which represented an effective interest rate of 0.8%. Accrued interest on the Notes is recorded within Accrued expenses on the condensed consolidated balance sheet.

Capped Call Transactions

In connection with the pricing of the Notes on June 30, 2025, and the exercise in full by the initial purchasers of their option to purchase additional Notes on July 1, 2025, the Company entered into capped call transactions (the "Capped Call"), effective as of July 3, 2025, with one of the initial purchasers and certain other financial institutions. The Capped Call is expected generally to reduce the potential dilution to the Company's Class A common stock upon any conversion of the Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of converted Notes, with such reduction and/or offset subject to a cap based on a cap price initially equal to \$111.1950 per share, which is subject to certain adjustments under the terms of the Capped Call. The Capped Calls have an initial strike price of approximately \$84.19 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls cover, subject to anti-dilution adjustments, approximately 8,908,350 shares of the Company's Class A common stock.

The Capped Call qualifies for a scope exception from derivative accounting for instruments that are both indexed to the issuer's own stock and classified in stockholders' equity. The \$41.8 million incurred to purchase the Capped Call was recorded as a reduction to additional paid-in capital in the condensed consolidated balance sheets, and will not be remeasured as long as they continue to meet the conditions for equity classification.

Credit Facilities

On September 22, 2022, the Company entered into a Credit Agreement (the "Original Credit Agreement") with Ares Capital Corporation ("Ares") for a senior secured loan (the "Term Loan Facility") that matures in September 2027, in an original principal amount of \$175.0 million, less original issue discount of \$4.4 million and deferred financing fees of \$2.6 million. The Original Credit Agreement was amended on April 25, 2023 and October 11, 2023, to, among other things, increase the original principal amount of the Term Loan Facility by \$85.0 million in the aggregate, less original issue discount of \$2.2 million in the aggregate.

On February 3, 2025, the Company entered into a Third Amendment Agreement (the "Third Amendment Agreement") which, among other things, provided for an additional \$200.0 million tranche of senior secured term loans (the "Additional Term Loan Facility", and together with the Term Loan Facility, the "Term Loans") and \$100.0 million in priority revolving loan commitments (the "Revolving Credit Facility", and loans thereunder, the "Revolving Loans"). The Company received \$194.0 million under the Additional Term Loan Facility, which is the aggregate principal amount of \$200.0 million, less original issue discount of \$4.0 million and \$2.0 million in legal fees paid to third parties, and \$97.1 million in revolving loans under the Revolving Credit Facility, which is the aggregate amount of \$100.0 million, less original issue discount of \$2.0 million and \$0.9 million in legal fees paid to third parties, the proceeds of which were used to fund the cash consideration for the Ambry Acquisition and to pay related fees. The Third Amendment Agreement was accounted for as a debt modification. The Additional Term Loan Facility and the Revolving Credit Facility mature on February 3, 2030.

On June 30, 2025, in conjunction with the Offering, the Company entered into a Fourth Amendment to the Credit Agreement (the "Fourth Amendment Agreement"). The Fourth Amendment Agreement amended the terms of the Credit Agreement to (i) permit the Offering and the related derivative transactions and (ii) provide that the Offering satisfies the junior capital raise requirement set forth in the Credit Agreement. Except as noted above, the material terms of the Credit Agreement were not amended. The Fourth Amendment Agreement was accounted for as a debt modification.

The Term Loans and Revolving Credit Facility (together with the Term Loan Facilities, the "Credit Facilities") are subject to quarterly interest payments for Base Rate loans and at the end of the applicable interest rate period for Term Secured Overnight Financing Rate ("SOFR") loans.

The Term Loans are subject to quarterly interest payments, which bears interest based on Term SOFR. Additionally, the Company may make either a paid-in-kind ("PIK") election or a Cash election. Pursuant to the Original Credit Agreement, as amended by the Fourth Amendment Agreement (the "Credit Agreement"), through December 31, 2025, interest on the Term Loans accrues at a per annum rate as follows: (i) for any interest period for which the Company elects to pay interest in cash, the cash interest rate for Term SOFR borrowings will be Term SOFR *plus* 7.25%, respectively, and (ii) for any interest period for which the Company elects to pay interest in kind, the cash interest rate for Term SOFR borrowings will be Term SOFR *plus* 5%, respectively, and the PIK interest rate will be 3.25%.

From and after January 1, 2026, interest on the Term Loans accrues at a per annum rate as follows: (i) for any interest period for which the Company elects to pay interest in cash, the cash interest rate for Term SOFR borrowings will be Term SOFR *plus* a margin ranging from 6.75% to 7.75%, respectively, and (ii) for any interest period for which the Company elects to pay interest in kind, the cash interest rate for Term SOFR borrowings will be Term SOFR *plus* a margin of 5%, respectively, and the PIK interest rate will be 3.25%. The applicable margin for any interest period for which the Company elects to pay interest in cash will be based on a consolidated first lien leverage ratio.

Interest on the Revolving Loans accrues interest at a per annum rate equal to Term SOFR *plus* 3.75%. At all times prior to the termination of the Revolving Credit Facility, to the extent that, on any date, the outstanding aggregate principal amount of Revolving Credit Facility is less than the greater of (x) 50.0% of the revolving commitments and (y) \$50.0 million, the amount of interest payable on the Revolving Loans shall be equal to the amount of interest that would be payable had the outstanding principal amount of Revolving Loans equaled the greater of (x) 50.0% of the revolving commitments and (y) \$50.0 million (the "Minimum Revolving Interest Amount"). A commitment fee will accrue on the unused amount of the Revolving Credit Facility at a per annum rate of 0.50%; provided, however, that no such fee shall accrue to the extent the Company is being charged the Minimum Revolving Interest Amount.

In addition, the Credit Agreement contains customary representations and warranties, financial and other covenants, and events of default, including but not limited to, limitations on earnout, milestone, or deferred purchase obligations, dividends on preferred stock and stock repurchases, cash investments, and acquisitions. The Company is required to maintain a minimum liquidity of at least \$25 million and maintain specified amounts of consolidated revenues for the trailing twelve month period ending on the last day of each fiscal quarter. Minimum consolidated revenues shall equal either \$1.0 billion for the immediately trailing twelve month period or \$1.0 billion on a pro forma basis and for the fiscal quarters ending March 31, 2025 through December 31, 2025, and shall equal \$1.1 billion for the fiscal quarters ending March 31, 2026 through December 31, 2026. The Credit Agreement also contains a maximum first lien leverage from and after the fiscal quarter ending March 31, 2027. The Company was in compliance with all covenants in the Credit Agreement as of September 30, 2025.

The Company's obligations under the Credit Agreement are guaranteed by certain of its subsidiaries and secured by substantially all of the Company's and such subsidiaries' assets.

The original issue discount of \$10.5 million and deferred financing fees of \$2.6 million on the Term Loans are amortized over the term of the underlying debt and unamortized amounts have been offset against long-term debt in the consolidated balance sheets. As of September 30, 2025 and December 31, 2024, the unamortized original issue discount was \$3.6 million and \$3.8 million, respectively, and the unamortized deferred financing fees were \$0 and \$1.4 million, respectively. The original issue discount of \$2.0 million and deferred financing fees of \$1.0 million on the Revolving Credit Facility are amortized over the term of the underlying debt and unamortized amounts are recorded in Investments and other assets in the consolidated balance sheets. As of September 30, 2025, the unamortized original issue discount and deferred financing fees on the Revolving Credit Facility was \$1.7 million and \$0.8 million, respectively.

Through September 30, 2025, the Company repaid in full the principal amount of the Term Loan Facility for \$276.9 million, leaving only the Additional Term Loan Facility and Revolving Credit Facility as outstanding. The Company recorded a loss on debt extinguishment of \$12.0 million in the condensed consolidated statements of operations and comprehensive loss, representing a prepayment premium of \$7.8 million, unamortized original issue discount of \$3.1 million, and unamortized deferred financing fees of \$1.1 million.

During the nine months ended September 30, 2025, the Company made \$37.3 million in interest payments.

Interest expense and the effective interest rate for the three and nine months ended September 30, 2025 and 2024 are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest expense				
Term Loans	\$ 6,789	\$ 9,366	\$ 34,460	\$ 27,667
Revolving Credit Facility	2,055	—	5,340	—
Effective interest rate				
Term Loans	12.8%	13.9%	12.7%	13.8%
Revolving Credit Facility	8.2%	—	8.0%	—

Convertible Promissory Note

On February 22, 2025, the Company amended its convertible promissory note (the "Second Amended Note") with Google LLC ("Google"), originally entered into on June 22, 2020 (the "Initial Note"), and subsequently amended on November 19, 2020 (the "Amended Note"). The amendment extended the maturity date of the Second Amended Note from March 22, 2026 to December 31, 2030. In addition, the amendment provides the Company the option upon maturity to repay up to 50% of the outstanding principal and accrued interest balance (the "Outstanding Amount") in shares of the Company's Class A common stock equal to the quotient obtained by dividing (1) the Outstanding Amount on the maturity date, by (2) the average of the last trading price on each trading day during the twenty day period ending immediately prior to the maturity date.

The amendment was accounted for as a modification. The principal balance of the Second Amended Note was reset to \$238.8 million, which is the total of the then-outstanding principal and accrued interest. Consistent with the terms of the Amended Note, the Second Amended Note bears interest at a rate of 6.0% per annum, compounded annually. The principal amount is automatically reduced each year based on a formula taking into account the aggregate value of the Google Cloud Platform services used by the Company. The Company accounts for the principal reductions as an offset to its cloud and compute spend within selling, general and administrative in its condensed consolidated statements of operations and comprehensive loss. The Outstanding Amount under the Second Amended Note is due and payable on the earlier of (1) December 31, 2030, which is the maturity date of the Amended Note, (2) upon the occurrence and during the continuance of an event of default, and (3) upon the occurrence of an acceleration event, which includes any termination by the Company of its Google Cloud Platform agreement. The Company generally may not prepay the Outstanding Amount, except that the Company may, at its option, prepay the Outstanding Amount in an amount such that the principal amount remaining outstanding after such repayment is \$150.0 million.

The Company recognized interest expense of \$3.7 million and \$3.9 million during the three months ended September 30, 2025 and 2024, respectively. The Company recognized interest expense of \$10.8 million and \$11.2 million during the nine months ended September 30, 2025 and 2024, respectively. Accrued interest on the Second Amended Note is recorded as Interest Payable within Other long-term liabilities on the condensed consolidated balance sheet.

14. NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

Basic net loss per share is calculated by dividing the net loss by the weighted average number of outstanding shares of Common Stock each period. The Company's Class A common stock and Class B common stock share equally in distributed and undistributed earnings; therefore, no allocation to participating securities or dilutive securities is performed. Diluted net loss per share is calculated by giving effect to all potential dilutive Common Stock equivalents, which includes stock options, RSUs, RSAs, PSUs, and preferred stock. Because the Company incurred net losses each period, the basic and diluted calculations are the same. The Company used the if-converted method to calculate diluted EPS. As the Company had net losses in the three and nine months ended September 30, 2025 and 2024, all potentially dilutive common stock equivalents have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is anti-dilutive.

The following table presents the calculation for basic and diluted net loss per share (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net loss	\$ (79,982)	\$ (75,840)	\$ (190,862)	\$ (692,795)
Dividends on Series A, B, B-1, B-2, C, D, E, F, G, G-3, and G-4 preferred shares	—	—	—	(39,347)
Cumulative undeclared dividends on Series C preferred shares	—	—	—	(1,174)
Net loss attributable to common stockholders	\$ (79,982)	\$ (75,840)	\$ (190,862)	\$ (733,316)
Denominator:				
Weighted-average common shares outstanding, basic and diluted	174,945	165,612	172,969	104,164
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.46)	\$ (0.46)	\$ (1.10)	\$ (7.04)

The following outstanding shares of common stock equivalents were excluded from the calculation of diluted net loss per share for each period, as the impact of including them would have been anti-dilutive. As disclosed in Note 10, the Company issued a warrant for \$100 million in shares of the Company's Class A common stock. As per the terms of the warrant, potentially dilutive shares are based on the latest equity financing price. The warrant was terminated for no consideration on December 31, 2024.

	As of September 30,	
	2025	2024
Stock options outstanding	—	210,000
Astrazeneca warrant	—	2,702,703
Deep 6 holdback liability	13,614	—
SEngine holdback liability	—	41,007
SEngine contingent consideration	—	35,000
Paige holdback liability	85,966	—
Unvested RSUs	6,427,465	6,680,677
Unvested RSAs	20,630	—
Unvested PSUs	2,569,600	—
Shares issuable upon conversion of Notes ⁽¹⁾	9,292,529	—
Total potentially dilutive shares	18,409,804	9,669,387

⁽¹⁾ As disclosed in Note 13, the Company entered into the Capped Call in connection with the pricing of the Notes. The Capped Call is generally expected to reduce the potential dilution to the Company's Class A common stock upon conversion of the Notes. As such, the impact of the Capped Calls was excluded from the calculation as the effect of the Capped Calls if issued upon conversion of the Notes, would have been anti-dilutive.

As disclosed in Note 12, the RSUs issued prior to the IPO include a liquidity event performance condition prior to vesting. As the liquidity event performance condition was satisfied upon completion of the IPO, as of September 30, 2025 and September 30, 2024, these shares are included in potentially dilutive shares.

As disclosed in Note 13, the Second Amended Note may be fully converted to shares upon maturity at the holder's option, or up to 50% may be converted to shares upon maturity at the Company's option. The number of shares to be issued is based on the amount outstanding at the maturity date, which is subject to reduction based on services used by us prior to the maturity date. As such, these are treated as contingently issuable shares and will be excluded from potential dilutive impact.

15. INCOME TAXES

Accounting for income taxes for interim periods generally requires the provision for income taxes to be determined by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss before income taxes, adjusted for discrete items, if any, for the reporting period. The Company updates its estimate of the annual effective tax rate each quarter and makes a cumulative adjustment in such period.

For the three and nine months ended September 30, 2025, the Company recorded an income tax expense of \$0.3 million and income tax benefit of \$45.7 million, respectively. This benefit is the result of a discrete tax benefit of \$46.2 million recorded from the release of a portion of the valuation allowance attributable to a preliminary estimate of \$46.2 million net deferred tax liabilities recorded on Ambray's opening balance sheet which offset certain net deferred tax assets of the Company. Income tax expense for the three and nine months ended September 30, 2024 was not material.

Due to the Company's history of losses in the United States, a full valuation allowance on all of the Company's deferred tax assets, including net operating loss carryforwards and other book versus tax differences, was maintained.

The effective tax rate for the nine months ended September 30, 2025 differs from the statutory federal income tax rate primarily due to the discrete tax benefit recognized from the reduction of the valuation allowance as a result of the Ambray Acquisition during the quarter.

The Company will continue to evaluate the realizability of its deferred tax assets on a quarterly basis and adjust the valuation allowance as necessary based on the weight of available evidence.

One Big Beautiful Bill Act

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was enacted into law in the U.S. The Act includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company has evaluated the Act enacted during the quarter and estimated its impact on the consolidated financial statements to be immaterial.

16. FAIR VALUE MEASUREMENTS AND MARKETABLE EQUITY SECURITIES

Fair Value Measurements

The carrying amounts of financial instruments, including cash and cash equivalents, accounts receivable, finance lease obligations, minimum royalties, accounts payable, and accrued expenses approximate fair value due to the short maturity of these instruments. The carrying amounts of the related party receivable, finance lease obligations, and minimum royalties approximate fair value because the interest rates used fluctuate with market interest rates or the fixed rates are based on current rates offered to the Company for debt with similar terms and maturities.

The valuation methodologies used for the Company's assets and liabilities measured at fair value and their classification in the valuation hierarchy are summarized below:

Marketable equity securities—The Company holds marketable equity securities, all of which are publicly traded shares of common stock, which have quoted prices in active markets and are classified as short-term. The securities are measured at fair value each reporting period. The Company classifies the marketable equity securities as Level 1 as they are valued using quoted market prices at each reporting period.

Contingent consideration—The Company is also subject to a contingent consideration arrangement of 35,000 additional shares of non-voting common stock in connection with the SEngine acquisition, the amount of which is determined based on the per share price of the Company's non-voting common stock in a liquidity event completed prior to December 31, 2027. The contingent

consideration has an acquisition fair value date of \$0.8 million. See Note 4, Business Combinations for further discussion of that acquisition.

Liabilities for contingent consideration are measured at fair value each reporting period, with the acquisition date fair value included as part of the consideration transferred in the related business combination and subsequent changes in fair value recorded in earnings within operating expense on the condensed consolidated statements of operations and comprehensive loss. The Company used a risk-neutral simulation model and option pricing framework to value the contingent consideration. Prior to the IPO, the Company classified the contingent consideration liabilities as Level 3 due to the lack of relevant observable market data over fair value inputs such as probability-weighting of payment outcomes. Subsequent to the IPO completed in June 2024, the Company classified the contingent consideration arrangement of up to 35,000 additional shares of non-voting common stock as Level 1 as the shares are valued using a quoted market price.

Holdback liability—The Company held back 13,614 shares in connection with the Deep 6 acquisition and 85,966 shares in connection with the Paige acquisition. See Note 4, Business Combinations for further discussion of those acquisitions. For all holdback liabilities, the number of shares are fixed at the acquisition price as of the date of the acquisition.

Holdback liabilities are measured at fair value each reporting period, with the acquisition date fair value included as part of the consideration transferred in the related business combination and subsequent changes in fair value recorded in earnings within operating expense on the condensed consolidated statements of operations and comprehensive loss. The Company classified the holdback liability as Level 1 as the shares are valued using a quoted market price.

Warrant liability—As discussed in Note 10, the Company issued a \$100 million warrant to AstraZeneca. The warrant liability is measured at fair value each reporting period, using a Black-Scholes option pricing model. The Company classifies the warrant liability as Level 3 due to the lack of relevant observable market data over fair value inputs such as the expected term. The warrant was terminated for no consideration on December 31, 2024.

The Credit Facilities, the Second Amended Note, and the Notes were not recorded at fair value. The fair values of the Credit Facilities, the Second Amended Note, and the Notes approximated their carrying values as of September 30, 2025 and December 31, 2024. Estimates of the fair values of the Credit Facilities, the Second Amended Note, and the Notes are classified as Level 3 due to the lack of relevant observable market data over fair value inputs.

The following tables summarize assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2025 and December 31, 2024 (in thousands):

	Fair Value Measurement at Reporting Date Using			
	September 30, 2025	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Marketable equity securities	\$ 103,720	\$ 103,720	\$ —	\$ —
Liabilities				
Holdback liability	8,004	8,004	—	—

	Fair Value Measurement at Reporting Date Using			
	December 31, 2024	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Marketable equity securities	\$ 107,309	\$ 107,309	\$ —	\$ —

For the three and nine months ended September 30, 2025, the Company did not recognize any gain or loss due to a change in fair value for assets and liabilities measured at fair value using significant unobservable inputs (Level 3). For the three and nine months ended September 30, 2024, the Company recognized a loss of \$43.3 million and \$42.4 million, respectively, in Other income (expense), net due to the change in fair value of the warrant liability determined by Level 3 valuation techniques.

Marketable Equity Securities

The Company holds marketable equity securities, which are all publicly traded shares of Recursion Pharmaceuticals, Inc. ("Recursion") Class A common stock and Personalis common stock.

Recursion shares of Class A common stock were received as payment of accounts receivable. During the three months ended September 30, 2025 and 2024, the Company did not sell any shares of Recursion Class A common stock. During the nine months ended September 30, 2025, the Company sold 737,466 shares of Recursion Class A common stock at a weighted average price of \$11.28 per share for aggregate proceeds of \$8.3 million. During the nine months ended September 30, 2024, the Company sold 1,725,902 shares of Recursion Class A common stock at a weighted average price of \$13.38 for aggregate proceeds of \$23.1 million.

As consideration for the Company's obligations to Personalis under the Commercialization and Reference Laboratory Agreement entered into with Personalis in November 2023, Personalis issued warrants to the Company to purchase up to an aggregate of 9,218,800 shares of Personalis' common stock, up to 4,609,400 of which were exercisable for cash at any time prior to December 31, 2024 at an exercise price of \$1.50 per share, and up to 4,609,400 of which were exercisable for cash at any time prior to December 31, 2025 at an exercise price of \$2.50 per share. In August 2024, the Company exercised the warrants in full at their respective exercise prices for an aggregate of 9,218,800 shares of Personalis common stock at an aggregate purchase price of \$18.4 million. Concurrently, the Company entered into an Investment Agreement with Personalis, pursuant to which the Company purchased an additional 3,500,000 shares of Personalis common stock for \$17.7 million. The Company owns less than 20% of Personalis' outstanding common stock and has no significant influence or control over Personalis.

Changes in fair value of marketable equity securities are recorded in earnings within Other income (expense), net on the condensed consolidated statement of operations and comprehensive loss. The following summarizes the portion of unrealized gains and losses recorded during the three and nine months ended September 30, 2025 and 2024 that relate to marketable equity securities held as of September 30, 2025 and 2024 (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net loss (gain) during the period on marketable equity securities	\$ 1,276	\$ (2,578)	\$ (4,731)	\$ (5,119)
Less: Net gain recognized during the period on marketable equity securities sold during the period	—	—	(3,264)	(6,081)
Unrealized loss (gain) recognized during the period on marketable equity securities still held at the reporting date	\$ 1,276	\$ (2,578)	\$ (1,467)	\$ 962

17. RELATED PARTIES

In 2018, the Company received \$1.5 million from a related party for assuming an office lease from such party. The liability is amortized through the right-of-use asset as a reduction of rent expense over the lease term. The Company had a remaining related liability of \$0.5 million and \$0.6 million as of September 30, 2025 and December 31, 2024, respectively. The Company subleases a portion of office space to this related party on a month-to-month basis. Sublease income received from the related party was insignificant for the three and nine months ended September 30, 2025 and 2024.

Strategic Investment

The Company's Founder and Chief Executive Officer is a co-founder and serves as Executive Chairman of the board of Pathos AI, Inc. ("Pathos"). On August 19, 2021, the Company entered into a Master Agreement with Pathos, which was subsequently amended on February 12, 2024 (as amended, the "Amended and Restated Master Agreement"), for the purpose of furthering the commercialization efforts of drug development. In connection therewith, the Company received a warrant to purchase 23,456,790 shares, or approximately 15% of the then current outstanding equity in Pathos, for \$0.0125 per share. The warrant will automatically exercise upon a change of control (as defined therein) or upon an IPO of Pathos' securities. The Company also has an optional exercise election window during the last 10 days of the 20 year term of the warrant agreement. The Amended and Restated Master Agreement provides for an initial term of five years, measured from February 2024, with a subsequent five-year renewal provision unless the agreement is terminated. Either party may terminate the agreement after the initial five-year term by prior written notice to the other party.

On April 17, 2025, the Company entered into an Order Form (the "Order Form") regarding both the development of a foundation large multimodal model in the field of oncology (the "Foundation Model") and the licensing of certain de-identified multi-modal data to assist in the development of the Foundation Model, with Pathos under the Amended and Restated Master Agreement (the Amended and Restated Master Agreement and the Order Form collectively referred to herein as the "Pathos Master Agreement"). Pursuant to the Pathos Master Agreement, (i) Pathos will be responsible for Foundation Model development activities under the Statement of Work with AstraZeneca under the Master Services Agreement, dated November 17, 2021 between the Company and AstraZeneca, as amended from time to time (the Master Services Agreement and the Statement of Work are collectively referred to herein as the "MSA"), (ii) the Company will license Pathos a comprehensive de-identified multi-modal dataset for the sole purpose of assisting in the development and training of the Foundation Model under the MSA, (iii) Pathos will pay the Company data license fees of \$200 million over a three-year period, including an upfront payment of \$50 million paid as of April 2025, (iv) the Company will provide a secure cloud environment to host the Foundation Model, for which Pathos will pay the Company the first \$60 million of cloud compute costs, (v) the Company will receive a license to use the Foundation Model upon its completion (with certain field restrictions and the right of sublicense to AstraZeneca), and (vi) in consideration of Pathos' commitments under the Pathos Master Agreement, the Company will pay Pathos \$35 million. Pathos, in its sole discretion, may pay up to 50% of the data license fees owed to the Company in shares of Pathos' Series D Preferred Stock.

The Company has entered into various agreements with Pathos, encompassing the development of the Foundation Model, access to the Company's Lens product, sequencing, clinical research organization and other data services. The Company has recognized \$25.2 million and \$2.4 million of revenue from Pathos for the three months ended September 30, 2025 and 2024, respectively. The Company has recognized \$41.7 million and \$2.6 million of revenue from Pathos for the nine months ended September 30, 2025 and 2024, respectively.

As of September 30, 2025 and December 31, 2024, there was no amount due to related parties. As of September 30, 2025 and December 31, 2024, the amount due from related parties was \$6.6 million and \$4.3 million, respectively.

As of September 30, 2025, related party asset and related party asset, less current portion were \$5.7 million and \$19.3 million, respectively. As of December 31, 2024, the related party asset and related party asset, less current portion were both \$0. The related party asset represents future services to be provided by Pathos under the Pathos Master Agreement.

As of September 30, 2025, deferred revenue and deferred revenue, less current portion includes \$19.9 million and \$0 million of related party deferred revenue, respectively. As of December 31, 2024, there was no related party deferred revenue.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements concerning the following:

- the evolving treatment paradigm for cancer, including physicians' use of molecular data and targeted oncology therapeutics and the market size for our current and future products;
- our ability to expand our business beyond oncology into new disease areas;
- estimates of our addressable market and our expectations regarding our revenue, expenses, capital requirements and operating results;
- our ability to develop new products and services, including our goals and strategy regarding development and commercialization of AI Applications;
- our ability to maintain and grow our datasets, including in new disease areas and geographies;
- any expectation that the growth of our datasets will improve the quality of our products and services and accelerate their adoption;
- our ability to capture, aggregate, analyze or otherwise utilize genomic data in new ways and in additional diagnostic modalities;
- any expectation that we will continue to commercialize de-identified records and license them to multiple customers;
- the acceptance of our publications in peer-reviewed journals or of our presentations at scientific and medical conference presentations;
- the implementation of our business model and strategic plans for our products, technologies and businesses;
- competitive companies and technologies and our industry;
- the potential of Intelligent Diagnostics to be disruptive across a broad set of disease areas and the clinical trial process;
- our ability to manage and grow our business by expanding our sales to existing customers or introducing our products to new customers;
- the impact of macroeconomic conditions, including new and potential tariffs, on us and our customers;
- third-party payer reimbursement and coverage decisions, including our strategy to increase reimbursement;
- our ability to establish and maintain intellectual property protection for our products or avoid claims of infringement;
- potential effects of evolving and/or extensive government regulation;
- the timing or likelihood of regulatory filings and approvals;
- our ability to hire and retain key personnel;
- our ability to expand internationally, including through our joint venture, SB Tempus, in Japan;
- our ability to successfully acquire businesses, form joint ventures or make investments in companies or technologies, including our ability to realize the expected benefits of our acquisitions of Paige.AI, Inc., Ambry Genetics Corporation and Deep 6 AI, Inc;
- our ability to protect and enforce our intellectual property rights, including our trade secret protected proprietary rights in our platform;
- our ability to service or pay down existing or future debt obligations;
- the outcome of pending or threatened litigation;
- our anticipated cash needs and our needs for additional financing; and
- anticipated trends and challenges in our business and the markets in which we operate.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024. Some of the information contained in this discussion and analysis, including information with respect to our planned investments in our sales and marketing, research and development, and general and administrative functions, includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Note Regarding Forward-Looking Statements" and "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Tempus is a technology company focused on healthcare that straddles two converging worlds. We strive to combine deep healthcare expertise, providing next-generation diagnostics across multiple disease areas, with leading technology capabilities, harnessing the power of data and analytics to help personalize medicine. We endeavor to unlock the true power of precision medicine by creating Intelligent Diagnostics through the practical application of artificial intelligence, or AI, in healthcare. Intelligent Diagnostics use AI, including generative AI, to make laboratory tests more accurate, tailored, and personal. Unlike traditional diagnostic labs, we can incorporate unique patient information, such as clinical, molecular, and imaging data, with the goal of making our tests more intelligent and our results more insightful. Unlike other technology companies, we are deeply rooted in clinical care delivery as one of the largest sequencers of cancer patients, and patients with other diseases, in the United States. Straddling both worlds is advantageous as we believe Intelligent Diagnostics represent the future of precision medicine, informing more personalized and data-driven therapy selection and development. We believe their adoption could empower physicians to deliver better care and researchers to develop more precise therapies, with the potential to save millions of lives.

In order to bring AI to healthcare at scale, we believe the foundation of how data flows throughout the ecosystem needs to be rebuilt. We established new data pipes, going to and from providers, to allow for the free exchange of data between physicians, who interpret data, and diagnostic and life science companies, who provide data, integrating relevant clinical data, such as outcomes, or adverse events, which are essential for many clinical decisions. Without this capability, we believe that data would continue to accumulate without impacting patient care. To accomplish this, we built both a technology platform to free healthcare data from silos and an operating system to make this data useful, the combination of which we refer to as our Platform. Our Platform connects multiple stakeholders within the larger healthcare ecosystem, often in real time, to assemble and integrate the data we collect, thereby providing an opportunity for physicians to make data-driven decisions in the clinic and for researchers to discover and develop therapeutics. We aim to help physicians find the best therapies for their patients, help pharmaceutical and biotechnology companies make the best drugs possible, and enable patients to access emerging therapies and clinical trials when appropriate.

We currently offer three product lines: Genomics, Data and AI Applications. Each product line is designed to enable and enhance the others, thereby creating network effects in each of the markets in which we operate. We are able to commercialize records multiple times, both at the time a test is run and thereafter. Our Genomics product line leverages our state-of-the-art laboratories to provide next generation sequencing, or NGS diagnostics, polymerase chain reaction, or PCR, profiling, molecular genotyping and other anatomic and molecular pathology testing to healthcare providers, pharmaceutical companies, biotechnology companies, researchers, and other third parties. The data generated in our lab or ingested into our platform as part of the Genomics product line is structured and de-identified, prior to commercialization. This de-identified database is then commercialized to our pharmaceutical and biotechnology partners to facilitate drug discovery and development through two primary Data and Services products, Insights and Trials. Our third product line, AI Applications, is focused on developing and providing diagnostics that are algorithmic in nature, implementing new software as a medical device, and building and deploying clinical decision support tools.

We primarily operate in the United States and generated total revenue of \$334.2 million and \$180.9 million in the three months ended September 30, 2025 and 2024, respectively, and \$904.6 million and \$492.7 million in the nine months ended September 30, 2025 and 2024, respectively. We also incurred net losses of \$80.0 million and \$75.8 million in the three months ended September 30, 2025 and 2024, respectively, and \$190.9 million and \$692.8 million in the nine months ended September 30, 2025 and 2024, respectively. We generated adjusted EBITDA of \$1.5 million and \$(21.8) million in the three months ended September 30, 2025 and 2024, respectively, and \$(20.3) million and \$(97.0) million in the nine months ended September 30, 2025 and 2024, respectively. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with generally accepted accounting principles in the United States of America, or

GAAP, and for additional information about adjusted EBITDA, a non-GAAP financial measure, see "—Non-GAAP Financial Measure."

Convertible Senior Notes

On July 3, 2025, we completed a private offering, or the Offering, of \$750.0 million aggregate principal amount of 0.75% Convertible Senior Notes due 2030, or the Notes, including the exercise in full of the initial purchasers' option to purchase up to an additional \$100.0 million principal amount of the Notes. The Notes are our general unsecured obligations and will mature on July 15, 2030, unless earlier converted, redeemed or repurchased. Interest on the Notes will accrue at a rate of 0.75% per year from July 3, 2025 and will be payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2026. Refer to Note 13 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further information regarding the issuance and terms of the Notes and the Capped Call transaction (as defined in "—Liquidity and Capital Resources—Senior Convertible Notes").

Our net proceeds from the Offering were \$725.7 million, after deducting the initial purchasers' discounts and commissions and the offering expenses payable by us. We used a portion of the net proceeds from the Offering to repay \$293.5 million of the Term Loan Facilities (as defined in "—Liquidity and Capital Resources—Credit Facilities"), which includes repayment of the principal, accrued interest, and prepayment premium and to pay approximately \$41.8 million cost of the Capped Call. We expect to use the remaining net proceeds from the Offering for general corporate purposes, which may include acquisitions or strategic investments in complementary businesses or technologies, working capital, operating expenses, capital expenditures and repayment of additional indebtedness.

Acquisition of Ambry Genetics Corporation

On February 3, 2025, or the Closing Date, we completed our acquisition, or the Ambry Acquisition, of Ambry Genetics Corporation, a Delaware corporation, or Ambry, pursuant to a Securities Purchase Agreement, or the Purchase Agreement, entered into on November 4, 2024 with REALM IDx, Inc., a Delaware corporation, or the Seller, and the Seller's ultimate parent, Konica Minolta, Inc., a Japanese corporation, as guarantor. We acquired all of the issued and outstanding shares of capital stock of Ambry. Consideration for the acquisition consisted of \$375.0 million in cash, subject to adjustment for cash, unpaid indebtedness, unpaid transaction expenses and net working capital of Ambry, or the Cash Consideration, plus the issuance of an aggregate of 4,843,136 shares of our Class A common stock, or the Stock Consideration. The Stock Consideration was valued at \$61.54 per share, which was the closing price of our Class A common stock on the Closing Date. Pursuant to the terms of the Purchase Agreement, 2,152,505 shares issued as Stock Consideration are subject to a lock-up for a period of one year following the Closing Date. In addition, \$5.0 million of the Cash Consideration are held in an escrow account for purposes of satisfying any post-closing purchase price adjustments.

In connection with the closing of the acquisition, we entered into an amendment to the Credit Agreement (as defined in "—Liquidity and Capital Resources—Credit Facilities"), providing for an additional \$200.0 million in senior secured term loans, or the Additional Term Loan Facility, and \$100.0 million in priority revolving loan commitments, or the Revolving Credit Facility. We utilized borrowings under the Additional Term Loan Facility and the Revolving Credit Facility to fund the Cash Consideration for the acquisition and to pay fees and expenses related thereto.

At the Market Sales Agreement

On August 8, 2025, we entered into a Controlled Equity OfferingSM Sales Agreement, or the Sales Agreement, with Morgan Stanley & Co., LLC, Cantor Fitzgerald & Co., TD Securities (USA), LLC and Allen & Company LLC, as sales agents, or collectively, the Sales Agents, pursuant to which we may offer and sell from time to time, at our option, shares of Class A common stock through the Sales Agents, or the ATM. The issuance and sale, if any, of shares of Class A Common Stock under the Sales Agreement will be made pursuant to an automatically effective registration statement on Form S-3 and the related prospectus included therein, or the ATM Prospectus, which was filed with the SEC on August 8, 2025. In accordance with the terms of the Sales Agreement, under the ATM Prospectus, we may offer and sell shares of Class A common stock having an aggregate offering price of up to \$500.0 million from time to time through the Sales Agents.

For the three and nine months ended September 30, 2025, we sold 2,381,895 shares under the ATM at a weighted average price of \$83.97 per share for total proceeds of \$195.5 million, net of \$4.5 million in commissions. In connection with the entry of the Sales Agreement and filing of the ATM prospectus, we incurred \$0.8 million of deferred offering costs, which were reclassified as a

reduction of paid-in-capital upon completion of the sale. As of September 30, 2025, approximately \$300.0 million remained available for sale pursuant to the Sales Agreement and ATM Prospectus.

Acquisition of Paige.AI, Inc.

On August 22, 2025, or the Paige Closing Date, we completed our acquisition, or the Paige Acquisition, of Paige.AI, Inc., or Paige, a Delaware corporation, pursuant to an Agreement and Plan of Merger entered into on August 22, 2025 with Giant Panda Merger Sub, Inc., a Delaware corporation and our direct, wholly owned subsidiary, Paige, and Shareholder Representative Services LLC, a Colorado limited liability company, solely in its capacity as the securityholder representative. Paige is an AI company specializing in digital pathology. The Paige Acquisition is expected to allow us to grow our dataset and establish a strong footprint in digital pathology with an industry leading technology portfolio.

We acquired all of the issued and outstanding shares of Paige. The aggregate acquisition date fair value of consideration for the Paige Acquisition totaled \$102.7 million. Consideration consisted of \$3.0 million of cash and the issuance of an aggregate of 1,272,151 shares of our Class A common stock, or the Paige Stock Consideration, which was valued at \$80.52 per share, the closing price of our Class A common stock on the Paige Closing Date. A portion of the Paige Stock Consideration was paid to employees as consideration for transaction bonuses. Paige will pay approximately \$2.7 million to fulfill employee tax obligations related to the issuance. The equivalent will be withheld from those employees in our Class A common stock and will be included in treasury stock. In accordance with the terms of the agreement, \$6.9 million in equity consideration was held back and is payable within five business days of August 22, 2026.

Strategic Collaborations

AstraZeneca and Pathos

In April 2025, we entered into a series of agreements with AstraZeneca AB, or AstraZeneca, and Pathos regarding both the development of a foundation large multimodal model in the field of oncology, or the Foundation Model, and the licensing of certain de-identified multi-modal data to assist in the development of the Foundation Model.

Specifically, we entered into a Statement of Work with AstraZeneca under the previously disclosed Master Services Agreement, dated November 17, 2021, as amended in October 2022, February 2023 and December 2023 (and as further amended from time to time, together with the Statement of Work, collectively referred to herein as the MSA). Pursuant to the MSA, (i) we will ensure that Pathos develops, and we provide AstraZeneca with, a Foundation Model which has been developed, validated, and maintained using de-identified datasets contributed by us, (ii) the Foundation Model will be developed, validated, and maintained by Pathos, (iii) AstraZeneca will pay us a fee of \$35 million, and (iv) a syndicate of investors including AstraZeneca will contemporaneously execute a Stock Purchase Agreement with Pathos, or the SPA, as part of a preferred stock financing round of sufficient size given the obligations described herein.

We also entered into an Order Form with Pathos under the previously disclosed Amended and Restated Master Agreement, restated effective February 12, 2024, (the Amended and Restated Master Agreement and the Order Form collectively referred to herein as the “Pathos Master Agreement”). Pursuant to the Pathos Master Agreement, (i) Pathos will be responsible for Foundation Model development activities under the MSA, (ii) we will license Pathos a comprehensive de-identified multi-modal dataset for the sole purpose of assisting in the development and training of the Foundation Model under the MSA, (iii) Pathos will pay us data license fees of \$200 million over a three-year period, including an upfront payment of \$50 million that has been paid as of April 2025 (iv) we will receive a license to use the Foundation Model upon its completion (with certain field restrictions and the right of sublicense to AstraZeneca), and (v) in consideration of Pathos’ commitments under the Pathos Master Agreement, we will pay Pathos \$35 million. Pathos, in its sole discretion, may pay up to 50% of the data license fees owed to us in shares of Pathos’ Series D Preferred Stock.

AstraZeneca

As previously disclosed, in November 2021, we entered into the MSA with AstraZeneca. Under the MSA, we agreed, on a non-exclusive basis, to provide AstraZeneca with certain of our products and services, including licensed data, sequencing, clinical trial matching, organoid modeling services, algorithm development, and others. In exchange for certain discounted prices, AstraZeneca has committed to spend a minimum of \$220 million on such products and services during the term of the MSA. The term of the MSA will continue through December 31, 2026, unless terminated sooner. The minimum commitment may increase from \$220 million to \$320 million through December 2028 at AstraZeneca’s election.

GlaxoSmithKline

In August 2022, we entered into a Strategic Collaboration Agreement, or, as amended in May 2024, the GSK Agreement, with GlaxoSmithKline, or GSK. Under the GSK Agreement, we agreed, on a non-exclusive basis, to provide GSK with certain of our products and services, including licensed data, sequencing, clinical trial matching, organoid modeling services, algorithm development, and others. In exchange for certain discounted prices, GSK has committed to spend a minimum of \$180 million on such products and services during the term of the GSK Agreement, of which \$70 million was paid upon execution. The term of the GSK Agreement will continue through December 31, 2027, unless terminated sooner. An additional commitment of up to \$120 million may be triggered at GSK's election for the years 2028, 2029 and 2030.

Recursion Master Agreement

In November 2023, we entered into a Master Agreement, or the Recursion Agreement, with Recursion Pharmaceuticals, Inc., or Recursion. Under the Recursion Agreement, we agreed to provide certain of our services and to license certain data to Recursion, including a limited right to access our proprietary database of de-identified clinical and molecular data for certain therapeutic product development purposes. In exchange for these rights, Recursion will pay an initial license fee of \$22 million and an annual license fee throughout the term of the agreement, which, together with the initial license fee, totals up to \$160 million. The term of the Recursion Agreement will continue through November 3, 2028, unless terminated sooner. In addition to mutual rights to terminate for an uncured breach of the Recursion Agreement, Recursion may terminate the agreement for convenience after three years upon 90 days prior notice, subject to payment by Recursion of an early termination fee.

The initial license fee and each annual license fee are payable at Recursion's option either in the form of (x) cash, (y) shares of Recursion's Class A common stock, or (z) a combination of cash and shares of Recursion's Class A common stock in such proportion as is determined by Recursion in its sole discretion; provided that the aggregate number of shares of Recursion's Class A common stock to be issued to us under the Recursion Agreement shall not exceed 19.9% of the aggregate total of shares of Recursion Class A common stock and Class B common stock outstanding on November 3, 2023, or the date immediately preceding the date any shares of Class A common stock are issued pursuant to the Recursion Agreement, whichever is less. We have customary registration rights with respect to any shares of Recursion's Class A common stock issued pursuant to the Recursion Agreement.

Factors Affecting Our Performance

We believe there are several important factors that have impacted and that we expect will impact our operating performance and results of operations. While each of these areas presents significant opportunities for us, they also pose significant risks and challenges that we must address.

Research and Development and New Products

We expect to maintain high levels of investment in product innovation over the coming years as we continue to develop new laboratory assays, develop algorithms, and expand our Platform into new disease areas. These investments will include laboratory costs incurred in validating new or improving current assays, licensing of data sets to accelerate our efforts in new diseases, and development and validation costs for new Algos products. We invested \$45.0 million and \$27.3 million during the three months ended September 30, 2025 and 2024, respectively, and \$122.5 million and \$119.7 million during the nine months ended September 30, 2025 and 2024 respectively, in research and development. Our ability to develop new products, obtain regulatory approvals when required, launch them into the market, and drive adoption of these products by our customers will continue to play a key role in our results.

Customer Acquisition and Expansion

To grow our business requires both identifying new customers and expanding our partnerships with existing ones across each of our product lines. For Genomics, this entails our field salesforce developing relationships with individual physicians, genetic counselors, and hospital systems, demonstrating the power our Platform has in enabling them to provide personalized care to their patients. For Data, this entails our pharmaceutical business development teams demonstrating the power our Platform and database have in enabling drug discovery, development and clinical trial matching for our pharmaceutical partners. For AI Applications, this entails demonstrating the utility of these algorithms in a clinical setting. Since our inception, our offerings have been used by more than 8,500 physicians and we have worked with over 200 biotech companies, as well as 19 of the 20 largest public pharmaceutical companies based on 2024 revenue, albeit with many we are still at an early stage of adoption. Our financial performance relies heavily on our ability to add customers to our Platform and expand the relationships with our current customers through adoption of our new products.

Investments in Technology

Technology is at the core of everything we do. From receiving orders and ingesting data through our various provider integrations to delivering test results and access to our analytical platform, our Platform plays a key role in driving our business. We will continue to make significant investments in our Platform to continually improve our user experience and allow us to generate, ingest and structure data more efficiently as we expand our offerings. We invested \$38.1 million and \$30.7 million during the three months ended September 30, 2025 and 2024, respectively, and \$106.0 million and \$135.7 million, in the nine months ended September 30, 2025 and 2024, respectively, in technology. We expect to maintain high levels of investment in our technology over the coming years as we continue to develop new features to support our current and future business needs. Our ability to execute on the development of such technology will continue to play a key factor in our results. In addition, the announcement of substantial new tariffs and other restrictive trade policies, to the extent such current and future tariffs apply to hardware, networking infrastructure or other technology infrastructure used by us or our third-party vendors, could raise costs, constrain supply or affect service reliability.

Payer Coverage and Reimbursement

Our financial performance relies heavily on our ability to secure reimbursement from payers and government health benefits programs. A substantial majority of the genomic testing we perform is clinical in nature. We typically receive reimbursement for these tests from commercial payers and from government health benefits programs, such as Medicare and Medicaid. The amount of payment we receive varies widely and depends on a variety of factors, including the payer, the assay run, and other characteristics about the patient. As of December 31, 2024, we had received payment on approximately 55% of our clinical oncology NGS tests across all payers performed from January 1, 2022 through December 31, 2023. We calculated this metric on a trailing basis based on payer adjudication timing. However, we continued to perform our NGS tests through December 31, 2024. For the years ended December 31, 2024 and 2023, our average reimbursement for NGS tests in oncology was approximately \$1,510 and \$1,450, respectively. We will continue to invest significantly in various efforts aimed at improving our average reimbursement, including performing clinical studies to generate evidence of clinical utility, seeking regulatory approval for our tests, and opening additional lab locations. Any changes to medical policies impacting how our tests are reimbursed could have a significant impact on our results.

Macroeconomic Conditions

A significant portion of our current Data and services products sales are to customers in the life sciences industry, in particular the pharmaceutical and biotechnology industry. Demand for our Data and services products could be affected by factors that adversely affect the life sciences industry, including macroeconomic and market conditions that may adversely impact earlier stage biotechnology companies such as substantial new tariffs and other restrictive trade policies.

Components of Results of Operations

Revenue

We currently primarily derive our revenue from two product lines: (1) Genomics and (2) Data and services.

Genomics

Genomics primarily includes revenue from Oncology testing (legacy Tempus) and Hereditary testing (legacy Ambry Genetics). Oncology testing includes revenue from diagnostics, PCR profiling, and other anatomic and molecular pathology testing to oncologists, pharmaceutical companies, biotechnology companies, researchers, and other third parties. Hereditary testing includes revenue from inherited cancer risk, whole exome and genome profiling for rare conditions, and all other inherited screening testing primarily to genetic counselors.

Data and Services

Data and services primarily includes revenue from de-identified data generated through our Genomics product line to our pharmaceutical and biotechnology partners for use in their drug development efforts. These transactions consist of data licensing agreements, AI-enabled clinical trial matching, and analytical services. Our Data revenue is typically back-weighted towards the second half of the year based on the budgeting cycles of our customers. We currently report our AI Applications revenue within this line item as it is immaterial.

Cost and Operating Expenses

We incur costs to generate revenue for each of our two primary product lines. Cost of revenues for our Genomics product line is a higher percentage of the Genomics revenue than cost of revenues for Data and services is as a percentage of Data and services revenue. As revenue shifts between these product lines, total cost of revenue as a percentage of revenue will be impacted.

Cost of Revenues, Genomics

Cost of revenues for Genomics primarily includes personnel lab expenses, including salaries, bonuses, employee benefits and stock-based compensation expenses (which we refer to as “personnel costs”), and amortization of intangible assets, cost of laboratory supplies and consumables, laboratory rent expense, depreciation of laboratory equipment and shipping costs. Costs associated with performing our tests are recorded as the tests are processed at the time of report delivery. We expect these costs will increase in absolute dollars as our Genomics revenue continues to grow.

Cost of Revenues, Data and Services

Cost of revenues for Data and services primarily includes data acquisition and royalty fees, and personnel costs related to delivery of our data services and platform, cloud costs, and certain allocated overhead expenses. Costs associated with performing data product services are recorded as incurred. We expect these costs will increase in absolute dollars as our Data and services revenue continues to grow. We currently report our AI Applications cost of revenue within this line item as it is immaterial.

Research and Development

Research and development expense primarily includes costs incurred to develop new assays and products, including validation costs, research and development and allocated lab personnel costs, salaries and benefits of the company’s scientific and laboratory research and development teams, amortization of intangible assets, inventory costs, overhead costs, contract services and other related costs. Research and development costs are expensed as incurred. We plan to continue to invest in new assay development and expansion into new disease areas. As a result, we expect that research and development expenses will increase in absolute dollars for the foreseeable future as we continue to invest to support these activities.

Technology Research and Development

Technology research and development expense primarily includes personnel costs incurred related to the research and development of our technology platform and applications and the research and development of new products that we hope to bring to the market. Technology research and development costs are expensed as incurred. We plan to continue to invest in technology personnel to support our Platform and new algorithm development. We expect that technology research and development expenses will increase in absolute dollars for the foreseeable future as we continue to invest to support these activities.

Selling, General and Administrative

Our selling, general and administrative expense primarily includes personnel costs for our sales, executive, accounting and finance, legal and human resources functions, commissions, and other general corporate expenses, including software and tools, professional services, real estate costs, and travel costs.

We expect that our selling, general and administrative expenses will continue to increase in absolute dollars after our IPO, primarily due to increased headcount and costs associated with operating as a public company, including expenses related to legal, accounting, regulatory, maintaining compliance with exchange listing and requirements of the SEC, director and officer insurance premiums and investor relations. These expenses, though expected to increase in absolute dollars, are expected to decrease modestly as a percentage of revenue in the long term, though they may fluctuate as a percentage from period to period due to the timing and extent of these expenses. As the performance-based vesting condition of our RSUs was satisfied in connection with our IPO, we will continue to record stock-based compensation expenses associated with the vesting of RSUs in the quarter in which such vestings occur.

Interest Income

Interest income consists of interest earned on our cash and cash equivalents.

Interest Expense

Interest expense consists primarily of interest from our Second Amended Note and Credit Facilities (each as defined in “—Liquidity and Capital Resources”). Interest expense related to our Second Amended Note will continue, but should decrease over time as the principal amount decreases.

Loss on Debt Extinguishment

Loss on debt extinguishment consists of the recognition of unamortized original issuance discount, unamortized deferred financing fees, and prepayment premium as a result of the prepayment of the Term Loan Facilities (defined in “—Liquidity and Capital Resources”).

Other Income (Expense), Net

Other income (expense), net consists of foreign currency exchange gains and losses, gains and losses on marketable equity securities, income from the Intellectual Property Agreement, or the IP License Agreement, with SB Tempus Corp., or SB Tempus, and any changes in fair value related to our warrant assets and liabilities. Foreign currency exchange gains and losses relate to transactions and asset and liability balances denominated in currencies other than the U.S. dollar. We expect our foreign currency gains and losses to continue to fluctuate in the future due to changes in foreign currency exchange rates. We hold shares of common stock of Recursion and Personalis, Inc., or Personalis, which are recorded within marketable equity securities. These shares are marked to market each reporting period. We issued a warrant to our customer AstraZeneca in conjunction with the signing of the MSA in November 2021. We have a warrant asset related to a November 2023 Commercialization and Reference Laboratory Agreement with Personalis, which was exercised in August 2024. The fair value of the warrant assets and liabilities are measured each reporting period.

(Provision for) benefit from income taxes

(Provision for) benefit from income taxes consists of U.S. federal and state income taxes and income taxes in certain foreign jurisdictions in which we conduct business, as adjusted for non-deductible expenses, and changes in the valuation of our deferred tax assets and liabilities. We maintain a full valuation allowance on our U.S. federal and state deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will not be realized.

Gains (losses) from Equity Method Investments

Gains (losses) from equity method investments consist of earnings from our joint venture, SB Tempus. See Note 7 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information regarding SB Tempus.

Results of Operations

The following table sets forth the significant components of our results of operations for the periods presented (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net revenue				
Genomics	\$ 252,878	\$ 116,422	\$ 688,525	\$ 331,315
Data and services	81,328	64,507	216,053	161,403
Total net revenue	\$ 334,206	\$ 180,929	\$ 904,578	\$ 492,718
Cost and operating expenses				
Cost of revenues, genomics	98,643	60,126	283,182	181,285
Cost of revenues, data and services	25,621	14,964	61,212	52,384
Technology research and development	38,087	30,680	105,960	135,655
Research and development	44,960	27,348	122,453	119,713
Selling, general and administrative	187,891	101,427	523,230	644,063
Total cost and operating expenses	\$ 395,202	\$ 234,545	\$ 1,096,037	\$ 1,133,100
Loss from operations	\$ (60,996)	\$ (53,616)	\$ (191,459)	\$ (640,382)
Interest income	4,600	4,789	7,506	7,538
Interest expense	(15,399)	(13,761)	(54,981)	(40,294)
Loss on debt extinguishment	(12,034)	—	(12,034)	—
Other income (expense), net	2,605	(11,522)	16,879	(17,821)
Loss before (provision for) benefit from income taxes	(81,224)	(74,110)	(234,089)	(690,959)
(Provision for) benefit from income taxes	(276)	(38)	45,692	(144)
Gains (losses) from equity method investments	1,518	(1,692)	(2,465)	(1,692)
Net Loss	\$ (79,982)	\$ (75,840)	\$ (190,862)	\$ (692,795)

Comparison of the Three Months Ended September 30, 2025 and 2024

Revenue

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
(unaudited) (in thousands, except percentages)				
Genomics	\$ 252,878	\$ 116,422	\$ 136,456	117%
Data and services	81,328	64,507	16,821	26%
Total Net Revenue	\$ 334,206	\$ 180,929	\$ 153,277	85%

The increase in revenue for the three months ended September 30, 2025, compared to the same period in 2024, was due to increased volume of tests performed in Genomics and increased data deliveries in our Data and Services product line.

Genomics

The increase in Genomics revenue for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase in the number of Oncology tests and the addition of Hereditary tests through the acquisition of Ambry. Volume of tests increased from approximately 69,000 tests for the three months ended September 30, 2024 to approximately 217,000 tests for the three months ended September 30, 2025, of which 129,500 tests related to Hereditary testing.

Oncology tests increased from approximately 69,000 tests for the three months ended September 30, 2024 to approximately 87,500 tests for the three months ended September 30, 2025. Additionally, there was an increase in average revenue per Oncology test, which increased from approximately \$1,530 for the three months ended September 30, 2024 to approximately \$1,600 for the three months ended September 30, 2025. The increase in average revenue per Oncology test was driven primarily by increased Medicare reimbursement rates. The increase in the number of Oncology tests and average revenue per Oncology test resulted in a \$34.4 million increase in Genomics revenue.

Heredity tests increased to approximately 129,500 tests for the three months ended September 30, 2025 due to the acquisition of Ambry in February 2025 and resulted in an increase of \$102.6 million in Genomics revenue.

Data and Services

The increase in Data and services revenue for the three months ended September 30, 2025, compared to the same period in 2024, was driven primarily by \$18.9 million from increased demand for our Insights products. Across all Data and services products, the increase in revenue in the three months ended September 30, 2025 is primarily attributable to continued growth from within our existing customer base, specifically the Pathos Foundation Model agreement, as well as adoption of our services by new customers that did not purchase services in the three months ended September 30, 2025.

Cost and Operating Expenses

Cost of Revenues

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited) (in thousands, except percentages)			
Cost of revenues, genomics	\$ 98,643	\$ 60,126	\$ 38,517	64%
Cost of revenues, data and services	25,621	14,964	10,657	71%
Total	\$ 124,264	\$ 75,090	\$ 49,174	65%

The increase in Cost of revenues for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to increases of \$29.4 million in material and service costs, of which \$19.1 million in material and services is due to the Ambry Acquisition, \$12.5 million in personnel-related costs, of which \$8.8 million in personnel-related costs is due to the Ambry Acquisition, and \$5.8 million in cloud costs.

Cost of Revenues, Genomics

The increase in Cost of revenues, Genomics for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to increases of \$29.4 million in material and service costs, of which \$19.1 million in material and services is due to the Ambry Acquisition, \$11.3 million in personnel-related costs, of which \$8.8 million in personnel-related costs is due to the Ambry Acquisition.

Cost of Revenues, Data and Services

The increase in Cost of revenues, Data and services for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase of \$5.8 million in cloud costs and \$1.2 million in personnel-related costs.

Technology Research and Development

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited) (in thousands, except percentages)			
Technology research and development	\$ 38,087	\$ 30,680	\$ 7,407	24%

The increase in Technology research and development expenses for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase of \$5.8 million in personnel-related costs associated with the investment in our cloud infrastructure and new lines of business, of which \$4.1 million is due to the Ambry Acquisition, and \$1.5 million of stock-based compensation expense.

Research and Development

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Research and development	\$ 44,960	\$ 27,348	\$ 17,612	64%

The increase in Research and development expenses for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase of \$11.2 million in personnel-related costs for employees in our research and development group, of which \$9.0 million is due to the Ambry Acquisition, \$1.5 million increase in laboratory supplies, and \$1.3 million increase due to outside service costs related to clinical studies.

Selling, General and Administrative

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Selling, general and administrative	\$ 187,891	\$ 101,427	\$ 86,464	85%

The increase in Selling, general and administrative expenses for the three months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase \$30.5 million in personnel-related costs, of which \$22.1 million is due to the Ambry Acquisition, \$16.8 million in amortization of intangibles acquired from the Ambry Acquisition, \$10.1 million of stock-based compensation expense, \$6.0 million in software and tools costs, of which \$3.1 million is due to the Ambry Acquisition, \$4.8 million in cloud storage costs, and \$3.5 million in legal costs. Additionally, approximately \$7.6 million increase is due to the inclusion of Ambry costs in the three months ended September 30, 2025.

Interest Income

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Interest income	\$ 4,600	\$ 4,789	\$ (189)	-4%

The decrease in Interest income for the three months ended September 30, 2025, compared to the same period in 2024, was not material.

Interest Expense

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Interest expense	\$ (15,399)	\$ (13,761)	\$ (1,638)	12%

The increase in Interest expense for the three months ended September 30, 2025, compared to the same period in 2024, was primarily driven by compounding interest on our Second Amended Note and the additional interest expense from the Additional Term Loan Facility, Revolving Credit Facility, and Notes.

Loss on Debt Extinguishment

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited) (in thousands, except percentages)			
Loss on debt extinguishment	\$ (12,034)	\$ -	\$ (12,034)	100%

The change in Loss on debt extinguishment for the three months ended September 30, 2025, compared to the same period in 2024, was driven by the repayment of the Term Loan Facility, which includes repayment of the principal, accrued interest, and prepayment premium. The repayment resulted in a loss on debt extinguishment of \$12.0 million.

Other Income (Expense), net

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited) (in thousands, except percentages)			
Other income (expense), net	\$ 2,605	\$ (11,522)	\$ 14,127	-123%

The change in Other income (expense), net for the three months ended September 30, 2025, compared to the same period in 2024, was primarily driven by a \$43.3 million decrease in expense related to the change in fair value of our warrant liability, offset by a \$26.0 million increase in expense due to the change in fair value of our warrant asset, and a \$3.9 million increase in expense related to unrealized losses on marketable equity securities.

Provision for Income Taxes

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited) (in thousands, except percentages)			
Provision for income taxes	\$ (276)	\$ (38)	\$ (238)	626%

The change in provision for income tax benefit (expense) for the three months ended September 30, 2025, compared to the same period in 2024, was not material.

Gains (Losses) from Equity Method Investments

	Three Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited) (in thousands, except percentages)			
Gains (losses) from equity method investments	\$ 1,518	\$ (1,692)	\$ 3,210	-190%

The decrease in losses from equity method investments for the three months ended September 30, 2025, compared to the same period in 2024, was due to the gains from SB Tempus.

Comparison of the Nine Months Ended September 30, 2025 and 2024

Revenue

	<u>Nine Months Ended September 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2025</u>	<u>2024</u>		
	(unaudited) (in thousands, except percentages)			
Genomics	\$ 688,525	\$ 331,315	\$ 357,210	108%
Data and services	216,053	161,403	54,650	34%
Total Net Revenue	\$ 904,578	\$ 492,718	\$ 411,860	84%

The increase in revenue for the nine months ended September 30, 2025, compared to the same period in 2024, was due to increased volume and reimbursement of clinical oncology tests performed in Genomics and increased data deliveries in our Data and Services product line.

Genomics

The increase in Genomics revenue for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase in the number of Oncology tests and the addition of Hereditary tests through the acquisition of Ambry. Volume of tests increased from approximately 198,200 tests for the nine months ended September 30, 2024 to approximately 582,000 tests for the nine months ended September 30, 2025, of which 335,500 tests related to Hereditary testing.

Oncology tests increased from approximately 198,200 tests for the nine months ended September 30, 2024 to approximately 246,500 tests for the nine months ended September 30, 2025. Additionally, there was an increase in average revenue per Oncology test, which increased from approximately \$1,500 for the nine months ended September 30, 2024 to approximately \$1,590 for the nine months ended September 30, 2025. The increase in average revenue per Oncology test was driven primarily by increased Medicare reimbursement rates. The increase in the number of Oncology tests and average revenue per Oncology test resulted in a \$94.6 million increase in Genomics revenue.

Hereditary tests increased to approximately 335,500 tests for the nine months ended September 30, 2025 due to the acquisition of Ambry in February 2025 and resulted in an increase of \$263.4 million in Genomics revenue.

Data and Services

The increase in Data and services revenue for the nine months ended September 30, 2025, compared to the same period in 2024, was driven primarily by \$53.6 million from increased demand for our Insights products. Across all Data and services products, the increase in revenue in the nine months ended September 30, 2025 is primarily attributable to continued growth from within our existing customer base, specifically the Pathos Foundation Model agreement, as well as adoption of our services by new customers that did not purchase services in the nine months ended September 30, 2024.

Cost and Operating Expenses

Cost of Revenues

	<u>Nine Months Ended September 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2025</u>	<u>2024</u>		
	(unaudited) (in thousands, except percentages)			
Cost of revenues, genomics	\$ 283,182	\$ 181,285	\$ 101,897	56%
Cost of revenues, data and services	61,212	52,384	8,828	17%
Total	\$ 344,394	\$ 233,669	\$ 110,725	47%

The increase in Cost of revenues for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to increases of \$87.5 million in material and service costs, of which \$51.5 million in material and services is due to the Ambry Acquisition, \$28.7 million in personnel-related costs, of which \$21.3 million is due to the Ambry Acquisition, offset by a decrease of \$14.2 million of stock-based compensation expenses related to RSUs for which the performance-based vesting condition was satisfied in connection with our IPO in the prior period.

Cost of Revenues, Genomics

The increase in Cost of revenues, Genomics for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to increases of \$87.5 million in material and service costs, of which \$51.5 million in material and services is due to the Ambry Acquisition, \$27.3 million in personnel-related costs, of which \$21.3 million is due to the Ambry Acquisition, offset by a decrease of \$8.3 million of stock-based compensation expense related to RSUs for which the performance-based vesting condition was satisfied in connection with our IPO in the prior period.

Cost of Revenues, Data and Services

The increase in Cost of revenues, Data and services for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase of \$6.9 million in cloud costs and \$1.4 million in personnel-related costs.

Technology Research and Development

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Technology research and development	\$ 105,960	\$ 135,655	\$ (29,695)	-22%

The decrease in Technology research and development expenses for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to a decrease of \$42.3 million of stock-based compensation expenses related to RSUs for which the performance-based vesting condition was satisfied in connection with our IPO in the prior period, offset by an increase of \$13.0 million in personnel-related costs associated with the investment in our cloud infrastructure and new lines of business, of which \$9.1 million is due to the Ambry Acquisition.

Research and Development

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Research and development	\$ 122,453	\$ 119,713	\$ 2,740	2%

The increase in Research and development expenses for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to an increase of \$26.7 million in personnel-related costs for employees in our research and development group, of which \$21.2 million is due to the Ambry Acquisition, \$4.2 million in validation and regulatory costs, \$3.0 million in laboratory supplies, and \$2.3 million due to outside services costs related to clinical studies, offset by a decrease of \$37.2 million of stock-based compensation expense related to RSUs for which the performance-based vesting condition was satisfied in connection with our IPO in the prior period.

Selling, General and Administrative

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Selling, general and administrative	\$ 523,230	\$ 644,063	\$ (120,833)	-19%

The decrease in Selling, general and administrative expenses for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily due to a decrease of \$336.2 million of stock-based compensation expenses related to RSUs for which the performance-based vesting condition was satisfied in connection with our IPO in the prior period, offset by increases of \$84.9 million in personnel-related costs, of which \$56.6 million is due to the Ambry Acquisition, \$44.7 million in amortization of intangibles acquired from the Ambry Acquisition, \$16.4 million in software and tools costs, of which \$8.8 million is due to the Ambry

Acquisition, \$9.5 million in legal costs, \$7.0 million in cloud storage costs, and \$6.1 million in acquisition costs. Additionally, approximately \$26.9 million increase is due to the inclusion of Ambry costs in the nine months ended September 30, 2025.

Interest Income

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Interest income	\$ 7,506	\$ 7,538	\$ (32)	0%

The decrease in Interest income for the nine months ended September 30, 2025, compared to the same period in 2024, was not material.

Interest Expense

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Interest expense	\$ (54,981)	\$ (40,294)	\$ (14,687)	36%

The increase in Interest expense for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily driven by compounding interest on our Second Amended Note and additional interest expense from the Additional Term Loan Facility, Revolving Credit Facility and Notes.

Loss on Debt Extinguishment

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Loss on debt extinguishment	\$ (12,034)	\$ -	\$ (12,034)	100%

The change in Loss on debt extinguishment for the nine months ended September 30, 2025, compared to the same period in 2024, was driven by the repayment of the Term Loan Facility, which includes repayment of the principal, accrued interest, and prepayment premium. The repayment resulted in a loss on debt extinguishment of \$12.0 million.

Other Income (Expense), net

	Nine Months Ended September 30,		\$ Change	% Change
	2025	2024		
	(unaudited)	(in thousands, except percentages)		
Other income (expense), net	\$ 16,879	\$ (17,821)	\$ 34,700	-195%

The change in Other income (expense), net for the nine months ended September 30, 2025, compared to the same period in 2024, was primarily driven by a \$42.4 million decrease in expense due to the change in fair value of our warrant liability, \$8.0 million increase in income from the IP License Agreement with SB Tempus, and a \$2.3 million decrease in expense for the G-4 Special Payment, offset by a \$18.3 million increase in expense due to the change in fair value of our warrant asset.

Benefit from (provision for) Income Taxes

	<u>Nine Months Ended September 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2025</u>	<u>2024</u>		
	<u>(unaudited)</u> <u>(in thousands, except percentages)</u>			
Benefit from (provision for) income taxes	\$ 45,692	\$ (144)	\$ 45,836	NM ⁽¹⁾

⁽¹⁾Not meaningful

The change in provision for income tax benefit (expense) for the nine months ended September 30, 2025, compared to the same period in 2024, was due to a \$46.2 million discrete tax benefit recorded from the release of a portion of the valuation allowance attributable to net deferred tax liabilities related to the acquisition of Ambry which offset certain net deferred tax assets of ours.

Losses from Equity Method Investments

	<u>Nine Months Ended September 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2025</u>	<u>2024</u>		
	<u>(unaudited)</u> <u>(in thousands, except percentages)</u>			
Losses from equity method investments	\$ (2,465)	\$ (1,692)	\$ (773)	46%

The increase in losses from equity method investments for the nine months ended September 30, 2025, compared to the same period in 2024, was due to the losses from SB Tempus.

Non-GAAP Financial Measure

To supplement our condensed consolidated financial statements prepared and presented in accordance with accounting principles generally accepted in the United States of America, or GAAP, we use adjusted EBITDA to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes.

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. We define adjusted EBITDA as net income (loss), adjusted to exclude (i) interest income, (ii) interest expense, (iii) depreciation and amortization, (iv) provision for (benefit from) income taxes, (v) (gains) losses on equity method investments, (vi) changes in fair value of our warrant liability, warrant asset, marketable equity securities, contingent consideration liabilities and indemnity-related holdback liabilities, (vii) stock-based compensation expense, (viii) employer payroll tax related to stock-based compensation expense, (ix) acquisition-related expenses, (x) the G-4 Special Payment (as defined in Note 11 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q), (xi) amortization of deferred other income from our IP License Agreement with SB Tempus, (xii) franchise taxes related to our IPO, and (xiii) loss on debt extinguishment. We use adjusted EBITDA in conjunction with net income or loss, its corresponding GAAP measure, as a performance measure to assess our operating performance and operating leverage in our business. The above items are excluded from our adjusted EBITDA measure because these items are non-cash in nature, or because the amount and timing of these items is unpredictable, or they are not driven by core results of operations, thereby rendering comparisons with prior periods and competitors less meaningful. We believe adjusted EBITDA provides useful information to investors and others in understanding and evaluating our results of operations, as well as provides a useful measure for period-to-period comparisons of our business performance. Moreover, adjusted EBITDA is a key measurement used by our management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting.

Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for, or superior to, the related financial information prepared in accordance with GAAP. Some of these limitations are that adjusted EBITDA:

- does not reflect interest income which increases cash available to us;
- excludes depreciation and amortization expense, and although these are non-cash expenses, the asset being depreciated may have to be replaced in the future, increasing our cash requirements;
- does not reflect provision for or benefit from income taxes that reduces cash available to us; and

- excludes change in fair value of warrant liabilities, contingent consideration and warrant asset.

Because of these limitations, we consider, and you should consider, adjusted EBITDA alongside other financial performance measures, including net loss and our other GAAP results. A reconciliation of our adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP, is provided below. Investors are encouraged to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measure to their most directly comparable GAAP financial measure.

The following table summarizes our adjusted EBITDA, along with net loss, the most directly comparable GAAP measure, for each period presented below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(unaudited) (in thousands)			
Net loss	\$ (79,982)	\$ (75,840)	\$ (190,862)	\$ (692,795)
Interest income	(4,600)	(4,789)	(7,506)	(7,538)
Interest expense	15,399	13,761	54,981	40,294
Depreciation	8,120	6,788	24,350	19,472
Amortization	18,911	2,652	51,066	8,316
Provision for (benefit from) income taxes	276	38	(45,692)	144
EBITDA	\$ (41,876)	\$ (57,390)	\$ (113,663)	\$ (632,107)
(Gains) Losses on equity method investments	(1,518)	1,692	2,465	1,692
Fair value changes ⁽¹⁾	1,255	15,605	(4,441)	19,885
Stock-based compensation expense	33,979	21,038	79,408	509,351
Employer payroll tax related to stock-based compensation	1,039	1,201	8,165	5,963
Acquisition related expenses ⁽²⁾	552	—	6,073	—
G-4 Special Payment	—	—	—	2,250
Amortization of technology license	(3,989)	(3,989)	(11,966)	(3,989)
Franchise taxes related to IPO	—	—	1,647	—
Loss on debt extinguishment	12,034	—	12,034	—
Adjusted EBITDA	\$ 1,476	\$ (21,843)	\$ (20,278)	\$ (96,955)

⁽¹⁾ Fair value changes include gains and losses related to quarterly fair value adjustments of our warrant liability, warrant asset, marketable equity securities, contingent consideration liabilities, indemnity-related holdback liabilities.

⁽²⁾ Acquisition related expenses consist of legal, diligence, accounting, and financing costs incurred for acquisitions during the three and nine months ended September 30, 2025.

Liquidity and Capital Resources

We have incurred significant losses and negative cash flows from operations since our inception, and as of September 30, 2025, we had an accumulated deficit of \$2.3 billion.

We expect to incur additional operating losses in the near future and our operating expenses will increase as we continue to invest and develop new offerings, expand our sales organization, and increase our marketing efforts to drive market adoption of our tests. As demand for our tests continues to increase from physicians and biopharmaceutical companies, we anticipate that our capital expenditure requirements could also increase if we require additional laboratory capacity.

We have funded our operations to date principally from the sale of stock, convertible debt, term debt, the Revolving Credit Facility, and sales of our products. As of September 30, 2025, we had cash, cash equivalents and restricted cash of \$660.5 million.

Based on our current business plan, we believe our current cash and cash equivalents, marketable equity securities and anticipated cash flows from operations, will be sufficient to meet our anticipated cash requirements for more than twelve months from the date of this Quarterly Report on Form 10-Q. We may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons. As we grow our revenue, our accounts receivable and

inventory balances will increase. Any increase in accounts receivable and inventory may not be completely offset by increases in accounts payable and accrued expenses, which could result in greater working capital requirements.

If our available cash and cash equivalents and anticipated cash flows from operations are insufficient to satisfy our liquidity requirements because of lower demand for our products as a result of lower than currently expected rates of reimbursement from our customers or other risks described elsewhere in this Quarterly Report on Form 10-Q and in our Form 10-K for the year ended December 31, 2024, we may seek to sell additional common or preferred equity or convertible debt securities, enter into a credit facility or another form of third-party funding or seek other debt financing. The sale of equity and convertible debt securities, or exercise of warrants may result in dilution to our stockholders and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. The terms of debt securities issued or borrowings pursuant to a credit agreement could impose significant restrictions on our operations. If we raise funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our platform technologies or products or grant licenses on terms that are not favorable to us. Additional capital may not be available to us on reasonable terms, or at all. The failure to obtain any required future financing may require us to reduce or eliminate certain existing operations.

Convertible Senior Notes

On July 3, 2025, we completed the Offering of \$750.0 million aggregate principal amount of 0.75% Convertible Senior Notes due 2030, or the Notes. Our net proceeds from the Offering were \$725.7 million, after deducting the initial purchasers' discount and commissions and offering expenses payable by us.

The Notes are general unsecured obligations of ours and will mature on July 15, 2030. Interest on the Notes will accrue at a rate of 0.75% per year from July 3, 2025 and will be payable semiannually in arrears on January 15 and July 15 of each year, beginning on January 15, 2026. The Notes are convertible at the option of the holders prior to April 15, 2030, upon satisfaction of one or more of the following conditions:

- (1) During any calendar quarter, commencing after the fiscal quarter ending on September 30, 2025, if the last reported sale price of our Class A common stock, for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the Notes on each applicable trading day;
- (2) During the five business day period after any ten consecutive trading day period, or the measurement period, in which the trading price per \$1,000 principal amount of the Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the conversion rate for the Notes on each such trading day;
- (3) If we call the Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or
- (4) Upon the occurrence of specified corporate events.

On or after April 15, 2030, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Notes at their option at any time, regardless of the foregoing conditions. Upon conversion, we will pay or deliver cash, shares of our Class A common stock or a combination of cash and shares of our Class A common stock, at our election.

The conversion rate for the Notes will is 11.8778 shares of Class A common stock per \$1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately \$84.19 per share of Class A common stock. The conversion rate is subject to adjustment under certain circumstances.

On or after July 20, 2028, we may redeem for cash all or any portion of the Notes if the last reported sale price of our Class A common stock has been at least 130% of the conversion price for the Notes for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest. If we redeem less than all the outstanding Notes, at least \$100.0 million aggregate principal amount of Notes must be outstanding and not subject to redemption. No sinking fund is provided for the Notes.

If we undergo a fundamental change (as defined in the indenture governing the Notes), then, subject to certain conditions and exceptions, noteholders may require us to repurchase for cash all or any portion of their Notes at a fundamental change repurchase

price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, to, but excluding, the fundamental change repurchase date.

In connection with the pricing of the Notes on June 30, 2025, and in connection with the exercise in full by the initial purchasers of their option to purchase additional Notes on July 1, 2025, we entered into capped call transactions, or the Capped Call, effective as of July 3, 2025, with one of the initial purchasers and certain other financial institutions. The Capped Call is expected generally to reduce the potential dilution to our Class A common stock upon any conversion of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, with such reduction and/or offset subject to a cap based on a cap price initially equal to \$111.1950 per share, which is subject to certain adjustments under the terms of the Capped Call. The Capped Calls have an initial strike price of approximately \$84.19 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls cover, subject to anti-dilution adjustments, approximately 8,908,350 shares of the Company's Class A common stock.

Additionally, we paid approximately \$41.8 million cost of the Capped Call from the proceeds of the Offering. We expect to use the remaining net proceeds from the Offering for general corporate purposes, which may include acquisitions or strategic investments in complementary businesses or technologies, working capital, operating expenses, capital expenditures and repayment of additional indebtedness.

Credit Facilities

On September 22, 2022, we entered into a Credit Agreement, or the Original Credit Agreement, with Ares Capital Corporation, or Ares, for a senior secured loan, or the Term Loan Facility that matures in September 2027, in an original principal amount of \$175.0 million, less original issue discount of \$4.4 million and deferred financing fees of \$2.6 million. The Original Credit Agreement was amended on April 25, 2023 and October 11, 2023, to, among other things, increase the original principal amount of the Term Loan Facility by \$85.0 million in the aggregate, less original issue discount of \$2.2 million in the aggregate.

On February 3, 2025, we entered into a Third Amendment Agreement, or the Third Amendment Agreement which, among other things, provided for an additional \$200.0 million tranche of senior secured term loans, or the Additional Term Loan Facility, and together with the Term Loan Facility, the Term Loans, and \$100.0 million in priority revolving loan commitments, or the Revolving Credit Facility, and loans thereunder, the Revolving Loans. We received \$194.0 million under the Additional Term Loan Facility, which is the aggregate principal amount of \$200.0 million, less original issue discount of \$4.0 million and \$2.0 million in legal fees paid to third parties, and \$97.1 million in revolving loans under the Revolving Credit Facility, which is the aggregate amount of \$100.0 million, less original issue discount of \$2.0 million and \$0.9 million in legal fees paid to third parties, the proceeds of which were used to fund the cash consideration for the Ambry Acquisition and to pay related fees. The Third Amendment Agreement was accounted for as a debt modification. The Additional Term Loan Facility and the Revolving Credit Facility mature on February 3, 2030.

On June 30, 2025, in conjunction with the Offering, we entered into a Fourth Amendment to the Credit Agreement, or the Fourth Amendment Agreement. The Fourth Amendment Agreement amended the terms of the Credit Agreement to (i) permit the Offering and the related derivative transactions and (ii) provide that the Offering satisfies the junior capital raise requirement set forth in the Credit Agreement. Except as noted above, the material terms of the Credit Agreement were not amended. The Fourth Amendment Agreement was accounted for as a debt modification.

The Term Loans and Revolving Credit Facility, or together with the Term Loan Facilities, the Credit Facilities, are subject to quarterly interest payments for Base Rate loans and at the end of the applicable interest rate period for Term Secured Overnight Financing Rate, or SOFR, loans.

The Term Loans are subject to quarterly interest payments, which bears interest based on Term SOFR. Additionally, we may make either a paid-in-kind, or PIK, election or a Cash election. Pursuant to the Original Credit Agreement, as amended by the Fourth Amendment Agreement, or the Credit Agreement, through December 31, 2025, interest on the Term Loans accrues at a per annum rate as follows: (i) for any interest period for which we elect to pay interest in cash, the cash interest rate for Term SOFR borrowings will be Term SOFR plus 7.25%, respectively, and (ii) for any interest period for which we elect to pay interest in kind, the cash interest rate for Term SOFR borrowings will be Term SOFR plus 5%, respectively, and the PIK interest rate will be 3.25%.

From and after January 1, 2026, interest on the Term Loans accrues at a per annum rate as follows: (i) for any interest period for which we elect to pay interest in cash, the cash interest rate for Term SOFR borrowings will be Term SOFR plus a margin ranging from 6.75% to 7.75%, respectively, and (ii) for any interest period for which we elect to pay interest in kind, the cash interest rate for Term SOFR borrowings will be Term SOFR plus a margin of 5%, respectively, and the PIK interest rate will be 3.25%. The

applicable margin for any interest period for which we elect to pay interest in cash will be based on a consolidated first lien leverage ratio.

Interest on the Revolving Loans accrues interest at a per annum rate equal to Term SOFR plus 3.75% At all times prior to the termination of the Revolving Credit Facility, to the extent that, on any date, the outstanding aggregate principal amount of Revolving Credit Facility is less than the greater of (x) 50.0% of the revolving commitments and (y) \$50.0 million, the amount of interest payable on the Revolving Loans shall be equal to the amount of interest that would be payable had the outstanding principal amount of Revolving Loans equaled the greater of (x) 50.0% of the revolving commitments and (y) \$50.0 million, or the Minimum Revolving Interest Amount. A commitment fee will accrue on the unused amount of the Revolving Credit Facility at a per annum rate of 0.50%; provided, however, that no such fee shall accrue to the extent we are being charged the Minimum Revolving Interest Amount.

In addition, the Credit Agreement contains customary representations and warranties, financial and other covenants, and events of default, including but not limited to, limitations on earnout, milestone, or deferred purchase obligations, dividends on preferred stock and stock repurchases, cash investments, and acquisitions. We are required to maintain a minimum liquidity of at least \$25 million and maintain specified amounts of consolidated revenues for the trailing twelve month period ending on the last day of each fiscal quarter. Minimum consolidated revenues shall equal either \$1.0 billion for the immediately trailing twelve month period or \$1.0 billion on a pro forma basis and for the fiscal quarters ending March 31, 2025 through December 31, 2025, and shall equal \$1.1 billion for the fiscal quarters ending March 31, 2026 through December 31, 2026. The Credit Agreement also contains a maximum first lien leverage from and after the fiscal quarter ending March 31, 2027. We are in compliance with all covenants in the Credit Agreement as of September 30, 2025.

Through September 30, 2025, we repaid in full the principal amount of the Term Loan Facility for \$276.9 million, leaving only the Additional Term Loan Facility and Revolving Credit Facility as outstanding.

Convertible Promissory Note

On February 22, 2025, we amended our convertible promissory note, or the Second Amended Note, with Google LLC, or Google, originally entered into on June 22, 2020, or the Initial Note, and subsequently amended on November 19, 2020, or the Amended Note. The amendment extended the maturity date of the Second Amended Note from March 22, 2026 to December 31, 2030. In addition, the amendment provides us the option upon maturity to repay up to 50% of the outstanding principal and accrued interest balance, or the Outstanding Amount, in shares of our Class A common stock equal to the quotient obtained by dividing (1) the Outstanding Amount on the maturity date, by (2) the average of the last trading price on each trading day during the twenty day period ending immediately prior to the maturity date.

The principal balance of the Second Amended Note was reset to \$238.8 million, which is the total of the then-outstanding principal and accrued interest. Consistent with the terms of the Amended Note, the Second Amended Note bears interest at a rate of 6.0% per annum, compounded annually. The principal amount is automatically reduced each year based on a formula taking into account the aggregate value of the Google Cloud Platform services used by us. We account for the principal reductions as an offset to its cloud and compute spend within selling, general and administrative in its condensed consolidated statements of operations and comprehensive loss. The Outstanding Amount under the Second Amended Note is due and payable on the earlier of (1) December 31, 2030, which is the maturity date of the Amended Note, (2) upon the occurrence and during the continuance of an event of default, and (3) upon the occurrence of an acceleration event, which includes any termination by us of our Google Cloud Platform agreement. We generally may not prepay the Outstanding Amount, except that we may, at our option, prepay the Outstanding Amount in an amount such that the principal amount remaining outstanding after such repayment is \$150.0 million.

At the Market Sales Agreement

On August 8, 2025, we entered into a Controlled Equity OfferingSM Sales Agreement, or the Sales Agreement, with Morgan Stanley & Co., LLC, Cantor Fitzgerald & Co., TD Securities (USA), LLC and Allen & Company LLC, as sales agents, or collectively, the Sales Agents, pursuant to which we may offer and sell from time to time, at our option, shares of Class A common stock through the Sales Agents, or the ATM. The issuance and sale, if any, of shares of Class A Common Stock under the Sales Agreement will be made pursuant to an automatically effective registration statement on Form S-3 and the related prospectus included therein, or the ATM Prospectus, which was filed with the SEC on August 8, 2025. In accordance with the terms of the Sales Agreement, under the ATM Prospectus, we may offer and sell shares of Class A common stock having an aggregate offering price of up to \$500.0 million from time to time through the Sales Agents.

For the three and nine months ended September 30, 2025, we sold 2,381,895 shares under the ATM at a weighted average price of \$83.97 per share for total proceeds of \$195.5 million, net of \$4.5 million in commissions. In connection with the entry of the Sales Agreement and filing of the ATM Prospectus, we incurred \$0.8 million of deferred offering costs, which were reclassified as a

reduction of paid-in-capital upon completion of the sale. As of September 30, 2025, approximately \$300.0 million remained available for sale pursuant to the Sales Agreement and ATM Prospectus.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended September 30,	
	2025	2024
	(unaudited) (in thousands)	
Net cash used in operating activities	\$ (181,302)	\$ (149,794)
Net cash used in investing activities	\$ (387,638)	\$ (122,430)
Net cash provided by financing activities	\$ 887,732	\$ 494,508

Operating Activities

Cash used in operating activities during the nine months ended September 30, 2025 was \$181.3 million, which resulted from a net loss of \$190.9 million and a net change in our operating assets and liabilities of \$130.8 million, offset by non-cash charges of \$140.4 million. Non-cash charges primarily consisted of \$79.4 million of stock-based compensation \$75.4 million of depreciation and amortization, \$12.0 million loss on debt extinguishment, \$8.8 million of PIK interest added to principal, and \$7.9 million of non-cash operating lease costs, offset by deferred income taxes of \$46.2 million, and \$4.7 million of gain on marketable equity securities. The net change in our operating assets and liabilities was primarily the result of a \$63.2 million increase in accounts receivable due to increased sales and the timing of customer payments, a \$25.0 million increase in related party asset, due to future services to be provided by Pathos under the Pathos Master Agreement, a \$16.7 million increase in investments and other assets, and a \$18.5 million decrease in accounts payable, due to timing of payment, offset by a \$17.4 million increase in deferred revenue, which is primarily due to the Pathos Foundation Model agreement.

Cash used in operating activities during the nine months ended September 30, 2024 was \$149.8 million, which resulted from a net loss of \$692.8 million and a net change in our operating assets and liabilities of \$31.7 million, offset by non-cash charges of \$574.7 million. Non-cash charges primarily consisted of \$509.4 million of stock-based compensation, a \$42.4 million increase in the fair value of the warrant liability, and \$27.8 million of depreciation and amortization, offset by an increase in the fair value of the warrant asset of \$18.3 million. The net change in our operating assets and liabilities was primarily the result of a \$51.7 million increase in accounts receivable due to increased sales and timing of customer payments, a decrease in accounts payable of \$24.8 million, and an increase in prepaid expenses and other current assets of \$14.0 million, offset by a \$43.9 million increase in deferred other income related to the IP License Agreement with SB Tempus, a \$23.4 million increase in accrued expenses and other, primarily due to increased cloud spend and payroll taxes from RSU settlements, and an increase in interest payable of \$11.2 million as we continue to accrue interest on our Amended Note.

Investing Activities

Cash used in investing activities during the nine months ended September 30, 2025 was \$387.6 million, which was the result of \$375.0 million cash paid related to the Ambry, Paige, and Deep 6 acquisitions, purchases of property and equipment of \$16.3 million, and \$4.6 million of purchases of capitalized software from the Ambry Acquisition, offset by proceeds from the sale of marketable equity securities of \$8.3 million.

Cash used in investing activities during the nine months ended September 30, 2024 was \$122.4 million, which was the result of the investment in the joint venture in July 2024 of \$95.2 million, purchases of marketable equity securities of \$36.2 million, and purchases of property and equipment of \$14.2 million, offset by proceeds from the sale of marketable equity securities of \$23.1 million.

Financing Activities

Cash provided by financing activities during the nine months ended September 30, 2025 was \$887.7 million, which was the result of net proceeds from the Notes of \$726.5 million, net proceeds from the Additional Term Loan Facility of \$196.0 million, net proceeds from the ATM of \$195.5 million, and net proceeds from the Revolving Credit Facility of \$98.0 million, offset by \$276.9 million of principal payments on the Term Loan Facility, \$41.8 million of purchases of the Capped Call, and \$7.8 million of prepayment premium on the Term Loan Facility.

Cash provided by financing activities during the nine months ended September 30, 2024 was \$494.5 million, which was the result of proceeds from the issuance of common stock in connection with our IPO, net of underwriting discounts and commissions of \$382.0 million, and the issuance of Series G-5 Preferred Stock of \$199.8 million, offset by \$8.6 million of payments of deferred offering costs, \$5.6 million of dividend payments, and \$69.9 million of taxes paid related to the net settlement of a portion of the RSUs outstanding as of June 30, 2024 for which the service-based vesting condition was satisfied before June 14, 2024 and for which the performance-based vesting condition was satisfied in connection with the IPO, or the RSU Net Settlement.

Off-Balance Sheet Arrangements

We did not have during the period presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

We have prepared our condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States, or GAAP. Our preparation of these condensed consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, expenses and related disclosures at the date of the condensed consolidated financial statements, as well as revenue and expenses recorded during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from these estimates under different assumptions or conditions.

Other than the accounting policy disclosed below, there have been no material changes to our critical accounting policies and estimates during the nine months ended September 30, 2025 as described in the Form 10-K for the year ended December 31, 2024.

Business Combinations

In accordance with ASC Topic 805, Business Combinations, we use the acquisition method of accounting to allocate the purchase price of an acquired business to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price over the estimated fair value of assets and liabilities is recorded as goodwill. Assigning fair market values to the assets acquired and liabilities assumed at the date of an acquisition often requires the application of judgment regarding estimates and assumptions. These estimates include, but are not limited to, a market participant's expectation of future cash flows from acquired customer relationships, acquired trade names, and acquired developed technology. All acquisition costs are expensed as incurred.

Convertible Senior Notes

The Notes are accounted for in accordance with ASC 470. We determined the embedded conversion options, redemption features, and contingent interest and payments are not required to be separately accounted for as derivatives under ASC 815 because they were either determined to be clearly and closely related to the host instrument or we have concluded that no value would be associated with the related feature based on the circumstances associated with the Note's issuance. The initial purchasers' discount and deferred financing fees are amortized into interest expense within the consolidated statements of operations using the straight-line method over the term of the underlying debt, and unamortized amounts are presented net of the principal balance within convertible senior notes in the consolidated balance sheets.

In connection with the Notes, we entered into the Capped Call, or the Capped Call, with one of the initial purchasers and certain other financial institutions. The Capped Call is expected generally to reduce the potential dilution to our Class A common stock upon

any conversion of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, with such reduction and/or offset subject to a cap based on a cap price initially equal to \$111.1950 per share, which is subject to certain adjustments under the terms of the Capped Call. The equity-classified Capped Call is not remeasured each reporting period and are recorded as a reduction to additional paid-in-capital within shareholders' equity when purchased.

Stock-Based Compensation

We recognize stock-based compensation for equity awards with only a service condition on the grant-date fair value on a straight-line basis over the remaining requisite service period for the award, which is generally the vesting period. We recognize stock-based compensation for equity awards with a market or performance condition using an accelerated attribution model over the requisite service period for each separately vesting portion of the award. For those awards with a market condition, we utilize a Monte Carlo simulation model to estimate the fair value of the restricted stock units. The Monte Carlo simulation model requires the input of estimates and assumptions, including, but not limited to, the expected stock price volatility, the life of the award and the risk-free interest rate. The probability of actual shares expected to be earned is considered in the grant date fair value. As a result, the expense is not adjusted to reflect the actual shares earned. For those awards with a performance condition, we recognize stock-based compensation if it is probable that the performance condition will be satisfied and will reflect the number of awards that ultimately vest. At each reporting period, we reassess the probability of achievement of the performance condition and any change in expense resulting from an adjustment to estimates is treated as a cumulative catch-up in the period of the adjustment.

Recent Accounting Pronouncements

See the section titled "Summary of Significant Accounting Policies" in Note 2 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

Emerging Growth Company Status

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, our company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our condensed consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Based on the aggregate market value of shares of our Class A common stock held by non-affiliates as of June 30, 2025, we expect to become a "large accelerated filer" and no longer qualify as an emerging growth company as of December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.

Interest Rate Risk

We are exposed to market risk for changes in interest rates related primarily to our cash, cash equivalents and restricted cash, and our indebtedness. As of September 30, 2025, we had cash, cash equivalents and restricted cash of \$660.5 million held primarily in cash deposits and money market funds. As of September 30, 2025, we had \$304.3 million outstanding under our Term Loan Facilities and Revolving Credit Facility, which are subject to quarterly interest payments. A hypothetical 100 basis point increase or decrease in interest rates under our Term Loan Facilities and Revolving Credit Facility would not be material to our financial condition or results of operations.

Foreign Currency Risk

The majority of our revenue is generated in the United States. Through September 30, 2025, we have generated an insignificant amount of revenues denominated in foreign currencies. As we expand our presence in the international market, our results of operations and cash flows are expected to increasingly be subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to these related changes. As of September 30, 2025 the effect of a hypothetical 10% change in foreign currency exchange rates would not be material to our financial condition or results of operations. To date, we have not entered into any hedging arrangements with respect to foreign currency risk. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates.

Inflation Risk

We are also exposed to inflation risk and inflationary factors, such as increases in raw material and overhead costs, which could impair our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and operating expenses as a percentage of revenue.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that these disclosure controls and procedures were effective at a reasonable assurance level as of September 30, 2025.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, the effectiveness of any internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II – Other Information

Item 1. Legal Proceedings

From time to time, we may be involved in various legal proceedings, including commercial claims from customers and vendors, potential lawsuits seeking damages and/or injunctive relief, employment disputes, subpoenas, government investigations, regulatory or administrative proceedings, and other types of matters arising from the normal course of business activities. We may also initiate such proceedings against various third parties. Defending against and pursuing such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors. Except as described below, we believe there are currently no pending legal proceedings to which we or our property are subject that could have a material adverse effect on our financial position, results of operations or cash flows.

Although no formal legal proceeding has been instituted, from time to time, we receive requests from governmental agencies, or third parties working on their behalf, for documents and information related to our products and services. For example, on May 19, 2022, we received a subpoena from the Office of the Ohio Attorney General. The subpoena required production of certain billing and patient records associated with nine Ohio Medicaid patients who received our clinical diagnostic tests between 2019 and 2022. We provided responsive documents in June 2022 and have not received additional inquiry from the Ohio Attorney General's office since that time.

Similarly, on March 4, 2024, we received a Civil Investigative Demand, or CID, from the U.S. Attorney's Office for the Eastern District of New York. The CID requested documents and other information related to our compliance with the False Claims Act, the Anti-Kickback statute, and in particular 42 C.F.R. § 414.510(b), which is commonly referred to as the Medicare 14-Day or Date of Service Rule. We provided an initial production on April 4, 2024, and have produced additional responsive documents on a rolling basis since that time.

While we believe our programs and payments comply with the Anti-Kickback statute, no assurance can be given as to the timing or outcome of the government's investigation, or that it will not result in a material adverse effect on our business. In addition, we have received requests for medical records and billing information from certain Unified Program Integrity Coordinators or other third parties working on the government's behalf regarding clinical diagnostic services provided by us to patients enrolled in the Medicare and Medicaid programs. We have responded to all such requests for information.

On June 11, 2024, Guardant Health Inc., or Guardant, filed a complaint against us in the U.S. District Court for the District of Delaware. The complaint alleges that the Tempus xF, Tempus xF+, Tempus xM Monitor and Tempus xM MRD products use liquid biopsy technology that infringes five Guardant U.S. patents. The complaint seeks injunctive relief, unspecified monetary damages (including enhanced damages), a future mandatory royalty, costs and attorneys fees. On January 17, 2025, Guardant separately sought a Declaratory Judgment against Tempus in the U.S. District Court for the District of Delaware regarding the veracity of certain advertisements Guardant has published regarding the companies' respective products. On March 14, 2025, Tempus filed multiple counterclaims against Guardant under the Lanham Act and related states statutes alleging, among other things, that Guardant's advertisements were false and misleading. Tempus filed a separate patent infringement complaint against Guardant in the U.S. District Court for the Southern District of California alleging that certain Guardant products infringe U.S. Patent Nos. 12,112,839, 11,640,859, 10,957,041, and 10,991,097. On August 12, 2025, Guardant filed a complaint against us in the U.S. District Court for the District of Delaware alleging that Tempus's xM tests infringe three Guardant U.S. patents. The complaint, which has been consolidated with Guardant's pending patent infringement case in the District of Delaware, seeks injunctive relief, unspecified monetary damages (including enhanced damages), a future mandatory royalty, costs and attorneys fees. All cases are pending.

On June 12, 2025, the Company, Mr. Lefkofsky, our Chief Executive Officer, and Mr. Rogers, our Chief Financial Officer, were named as defendants in a federal securities class-action lawsuit titled *Shouse v. Tempus AI, Inc. et al.*, which is pending in the United States District Court for the Northern District of Illinois. The complaint alleges that between August 6, 2024 and May 27, 2025, the defendants made false or misleading statements or omitted to state material facts regarding Tempus's business, operations, and prospects. We believe the complaint to be without merit, and we intend to defend ourselves vigorously against the allegations.

We assess legal contingencies to determine the degree of probability and range of possible loss for potential accrual in its financial statements. When evaluating legal contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matters. In addition, damage amounts claimed may be unsupported, exaggerated or unrelated to possible outcomes, and as such are not meaningful indicators of potential liability. Loss contingencies,

including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated.

Item 1A. Risk Factors

Our business, financial condition and operating results are affected by a number of factors, whether currently known or unknown, including risks specific to us or the healthcare industry as well as risks that affect businesses in general. In addition to the information set forth in this Quarterly Report on Form 10-Q, you should consider carefully the factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 24, 2025. The risks and uncertainties disclosed in such Annual Report could materially adversely affect our business, financial condition, cash flows or results of operations and thus our stock price. Except as set forth below, during the third quarter of fiscal 2025, there were no material changes to our previously disclosed risk factors.

These risk factors may be important to understanding other statements in this Quarterly Report and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes in Part I, Item 1, "*Financial Statements*" and Part I, Item 2, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of this Quarterly Report. Because of such risk factors, as well as other factors affecting our financial condition and operating results, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Risks Related to Our Convertible Notes

Our Notes and the issuance of shares of our Class A common stock upon conversion of the Notes, if any, may impact our financial results, result in dilution to our stockholders, create downward pressure on the price of our Class A common stock, and restrict our ability to raise additional capital or to engage in a beneficial takeover.

In July 2025, we issued \$750.0 million in aggregate principal amount of 0.75% Convertible Senior Notes due 2030, or the Notes. We are subject to a variety of risks related to the Notes, such as:

- servicing our debt requires a certain level of cash flow or financing from other sources, and our ability to make scheduled payments of the principal and interest, or to refinance or repurchase our Notes depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control;
- our ability to refinance or repurchase our indebtedness will depend on the capital markets and our financial condition at such time, and if we are unable to engage in any of these activities or engage in these activities on desirable terms, we may be unable to meet the obligations of our Notes;
- in the event the conditional conversion feature of the Notes is triggered, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital;
- if we deliver cash to noteholders upon Conversion of their Notes, the payment of cash could adversely affect our liquidity;
- if shares of our Class A common stock are issued to the holders of the Notes upon conversion, there will be dilution to our stockholders' equity and the market price of our Class A common stock may decrease due to the additional selling pressure in the market.
- certain provisions in the indentures governing the Notes may delay or prevent an otherwise beneficial takeover attempt of us; and
- we may from time to time seek to retire or purchase our outstanding debt, including the Notes, through cash purchases and/or exchanges for other securities, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved in any such transactions, individually or in the aggregate, may be material. Further, any such purchases or exchanges may result in us acquiring and retiring a substantial amount of such indebtedness, which could impact the trading liquidity of such indebtedness.

The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the Notes is triggered, holders of the Notes will be entitled to convert their Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The Capped Call may affect the value of the Notes and our Class A common stock.

In connection with the issuance of the Notes, we entered into capped call transactions, or the Capped Call, with one of the initial purchasers and certain other financial institutions, or the option counterparties. The Capped Call cover, subject to customary adjustments, the number of shares of our Class A common stock initially underlying the Notes. The Capped Call Transactions are expected generally to reduce the potential dilution to our Class A common stock upon any conversion of Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap.

In connection with establishing their initial hedges of the Capped Call the option counterparties or their respective affiliates likely entered into various derivative transactions with respect to our Class A common stock and/or purchased shares of our Class A common stock concurrently with or shortly after the pricing of the Notes, including with, or from, as the case may be, certain investors in the Notes. In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and/or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions following the issuance of the Notes and prior to the maturity of the Notes (and are likely to do so during the 20 trading day period beginning on the 21st scheduled trading day prior to the maturity date of the Notes, or, to the extent we exercise the relevant election under the Capped Call, following any repurchase, redemption, or conversion of the Notes). The potential effect, if any, of these transactions and activities on the market price of our Class A common stock or the Notes will depend in part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our Class A common stock and the value of the Notes.

We are subject to counterparty risk with respect to the Capped Call.

The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Call. Our exposure to the credit risk of the option counterparties will not be secured by any collateral.

Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions and could adversely affect the option counterparties' performance under the Capped Call. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transaction with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our Class A common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our Class A common stock. We can provide no assurances as to the financial stability or viability of the option counterparties.

In addition, the terms of the Capped Call may be subject to adjustment, modification or, in some cases, renegotiation in the event of certain corporate and other transactions. The Capped Call may not operate as we intend in the event that we are required to adjust the terms of such instruments as a result of transactions in the future or in the event of other unanticipated developments that may adversely affect the functioning of the Capped Call.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

In connection with our acquisition of Paige.AI, Inc., or Paige, on August 22, 2025, we issued 1,272,151 shares of our Class A common stock to certain former stockholders of Paige. We issued the shares in reliance on an exemption from registration provided for under Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder as a transaction by an issuer not involving a public offering.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information***Disclosure of Trading Arrangements***

During the fiscal quarter ended September 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, except as set forth in the table below.

Name and Position	Action	Date	Type of Trading Arrangement		Total Shares of Class A common stock to be Sold	Expiration Date
			Rule 10b5-1*	Non-Rule 10b5-1**		
Jennifer A. Doudna, Director	Adoption ⁽¹⁾	August 12, 2025	X		10,376	November 15, 2026
Andrew Polovin, Executive Vice President, General Counsel and Secretary	Adoption ⁽¹⁾	August 12, 2025	X		To Be Determined ⁽²⁾	November 1, 2026
James Rogers, Chief Financial Officer	Adoption ⁽¹⁾	September 11, 2025	X		To Be Determined ⁽³⁾	December 31, 2026
Erik Phelps, Executive Vice President, Chief Administrative and Legal Officer and Assistant Secretary	Adoption ⁽¹⁾	September 15, 2025	X		To Be Determined ⁽⁴⁾	December 15, 2026

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** “Non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K under the Exchange Act.

- (1) Trading under this Rule 10b5-1 trading plan will not commence until completion of the required cooling off period under Rule 10b5-1.
- (2) This Rule 10b5-1 trading plan provides for sales of (i) 15,825 shares of Class A common stock and (ii) up to 100% of the net number of shares received upon vesting of an aggregate of 60,117 RSUs, after giving effect to the withholding or sale of a portion of such shares to satisfy tax withholding obligations. Accordingly, the aggregate maximum number of shares that may be sold pursuant to this trading arrangement is dependent on the amount of tax withholding required upon the vesting of RSUs, and, therefore, is indeterminable at this time.
- (3) This Rule 10b5-1 trading plan provides for sales of (i) 11,056 shares of Class A common stock and (ii) up to 100% of the net number of shares received upon vesting of an aggregate of 109,217 RSUs, after giving effect to the withholding or sale of a portion of such shares to satisfy tax withholding obligations. Accordingly, the aggregate maximum number of shares that may be sold pursuant to this trading arrangement is dependent on the amount of tax withholding required upon the vesting of RSUs, and, therefore, is indeterminable at this time.
- (4) This Rule 10b5-1 trading plan provides for sales of (i) 24,198 shares of Class A common stock and (ii) up to 90% of the net number of shares received upon vesting of an aggregate of 45,834 RSUs, after giving effect to the withholding or sale of a portion of such shares to satisfy tax withholding obligations. Accordingly, the aggregate maximum number of shares that may be sold pursuant to this trading arrangement is dependent on the amount of tax withholding required upon the vesting of RSUs, and, therefore, is indeterminable at this time.

Item 6. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
2.1	<u>Plan of Conversion.</u>	10-Q	001-42130	2.1	August 8, 2025
3.1	<u>Articles of Incorporation of the Registrant.</u>	10-Q	001-42130	3.1	August 8, 2025
3.2*	<u>Amended and Restated Articles of Incorporation of the Registrant.</u>				
3.3	<u>Amended and Restated Bylaws of the Registrant.</u>	10-Q	001-42130	3.2	August 8, 2025
31.1*	<u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>				
31.2*	<u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>				
32.1*+	<u>Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>				
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document.				
104*	Cover Page formatted as inline XBRL and contained in Exhibit 101.				

* Filed herewith

+ Furnished herewith and not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

SIGNATURES

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.

TEMPUS AI, INC.

Date: November 4, 2025

By: /s/ Eric Lefkofsky
Eric Lefkofsky
Chief Executive Officer, Founder and Chairman
(Principal Executive Officer)

Date: November 4, 2025

By: /s/ James Rogers
James Rogers
Chief Financial Officer
(Principal Financial Officer)

**AMENDED AND RESTATED ARTICLES OF
INCORPORATION OF
TEMPUS AI, INC. I.**

The name of this company is Tempus AI, Inc. (the “**Company**”). The Company is the resulting entity in the conversion of Tempus AI, Inc., a Delaware corporation, into a Nevada corporation (the “**Nevada Conversion**”) and is a continuation of the existence thereof pursuant to Chapter 92 of the Nevada Revised Statutes (as amended and/or restated from time to time, the “**NRS**”).

II.

The Company may, from time to time, in the manner provided by law, change the registered agent and registered office within the State of Nevada. The registered office of the Company shall be the street address of its registered agent in the State of Nevada. The Company may also maintain an office or offices for the conduct of its business, either within or without the State of Nevada.

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under Chapter 78 of the NRS.

IV.

A. The Company is authorized to issue two classes of stock to be designated, respectively, “**Common Stock**” (the “**Common Stock**”) and “**Preferred Stock**” (the “**Preferred Stock**”). The total number of shares of Common Stock that the Company is authorized to issue is 1,005,500,000 shares, 1,000,000,000 shares of which shall be designated as a series of Common Stock denominated as “**Class A Common Stock**” (the “**Class A Common Stock**”) and 5,500,000 shares of which shall be designated as a series of Common Stock denominated as “**Class B Common Stock**” (the “**Class B Common Stock**”). The total number of shares of Preferred Stock that the Company is authorized to issue is 20,000,000 shares. The Preferred Stock shall have a par value of \$0.0001 per share and the Common Stock shall have a par value of \$0.0001 per share.

B. Subject to the restrictions of Section 4(d) of Part D of Article IV, the Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company is hereby expressly authorized by resolution or resolutions to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the number of shares of such shares and to determine for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as permitted by the NRS and as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors and the certificate of designation for such series filed with the Nevada Secretary of State providing for the issuance of shares of such series. The Board of Directors is also expressly authorized to increase (but not above the authorized number of shares of Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series.

C. The number of authorized shares of Preferred Stock, Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding

shares of stock of the Company entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, Class A Common Stock or Class B Common Stock unless a vote of any such holders is required pursuant to the terms of any Certificate of Designation filed with respect to any series of Preferred Stock.

D. Except as provided above, the rights, preferences, privileges, restrictions and other matters relating to the Class A Common Stock and Class B Common Stock are as follows:

1. Definitions. As used in the Articles of Incorporation (as defined below), the following terms shall have the respective meanings ascribed thereto in this Section 1 of Part D of Article IV.

(a) "Acquisition" means (A) any consolidation or merger of the Company with or into any other Entity, other than any such consolidation or merger in which the stockholders of the Company immediately prior to such consolidation or merger continue to hold a majority of the voting power of the surviving Entity in substantially the same proportions (or, if the surviving Entity is a wholly owned subsidiary of another Entity, the surviving Entity's Parent) immediately after such consolidation, merger or reorganization; or (B) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred or issued; provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes.

(b) "Asset Transfer" means the sale, lease or exchange of all or substantially all the assets of the Company.

(c) "Board of Directors" means the board of directors of the Company.

(d) "Articles of Incorporation" means the articles of incorporation of the Company, as amended and/or restated from time to time, including the terms of any certificate of designation of any series of Preferred Stock.

(e) "Disposition Control" means, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to direct any sale, assignment, transfer, conveyance hypothecation or other transfer or disposition, directly or indirectly, of such share.

(f) "Entity" means any corporation, partnership, limited liability company or other legal entity.

(g) "Effective Time" means the time at which the Nevada Conversion became effective in accordance with the NRS.

(h) "Family Member" means with respect to any natural person, the spouse, ex-spouse, domestic partner, lineal (including by adoption) descendant or antecedent, brother or sister, the adopted child or adopted grandchild, or the spouse or domestic partner of any child, adopted child, grandchild or adopted grandchild of such individual.

(i) "Final Conversion Date" means 5:00 p.m. in New York City, New York on the last Trading Day on which a Final Conversion Trigger Event occurs.

(j) "Final Conversion Trigger Event" shall mean the earliest to occur of any of the following (i) the Trading Day that is no less than 90 days and no more than 150 days following June 17, 2044; (ii) the date on which the Founder is no longer providing services to the Company as an executive officer or director; and (iii) the Trading Day that is no less than 90 days and no more than 150 days following

the date that the Founder and his controlled entities hold, in the aggregate, fewer than ten million (10,000,000) shares of the Company's capital stock (as adjusted for stock splits, stock dividends, combinations, subdivisions and recapitalizations).

(k) "**Founder**" means Eric Lefkofsky, an individual.

(l) "**Liquidation Event**" means (i) any Asset Transfer or Acquisition in which cash or other property is, pursuant to the express terms of the Asset Transfer or Acquisition, to be distributed to the stockholders in respect of their shares of capital stock in the Company or (ii) any liquidation, dissolution and winding up of the Company; provided, however, for the avoidance of doubt, compensation pursuant to any employment, consulting, severance or other compensatory arrangement to be paid to or received by a person who is also a holder of Class A Common Stock, Class B Common Stock or Preferred Stock does not constitute consideration or a "distribution to stockholders" in respect of the Class A Common Stock, Class B Common Stock or Preferred Stock.

(m) "**Parent**" of an Entity means any Entity that directly or indirectly owns or controls a majority of the voting power of the voting securities or interests of such Entity.

(n) "**Permitted Entity**" means any of the following:

(i) a trust for the benefit of any person so long as the Founder directly, or indirectly through one or more other Permitted Entities, has exclusive Disposition Control and exclusive Voting Control (as defined below) with respect to the shares of Class B Common Stock held by such trust;

(ii) a trust under the terms of which the Founder has retained a "qualified interest" within the meaning of §2702(b) of the Internal Revenue Code of 1986 (as amended, the "**Internal Revenue Code**") or a reversionary interest so long as the Founder has exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust;

(iii) a trust for the benefit of one or more of (1) the Founder, (2) a Family Member of the Founder, (3) a Permitted Entity or (4) a charitable organization, foundation or similar Entity in which the trustee is one or more of (x) the Founder, (y) a professional in the business of providing trustee services, including private professional fiduciaries, trust companies, accounting, legal or financial advisors, or bank trust departments or (z) a member of the Board of Directors, an executive officer of the Company, a private banker at a nationally or internationally recognized financial institution or a legal advisor of the Founder, in each case, so long as such person is approved by a majority of the members of the Board of Directors other than the Founder (if serving as a member of the Board of Directors), provided, that any such person described in clauses (x), (y) or (z) of the foregoing is subject to appointment and removal solely by the Founder (directly or indirectly through a Permitted Entity) or a Permitted Entity (a "**Qualified Trustee**"); provided that exclusive Disposition Control and exclusive Voting Control over shares of Class B Common Stock held by such trust is at all times held by one or both of (i) the Qualified Trustee (ii) the Founder or a Permitted Entity, and if at any time (A) the Founder or a Permitted Entity or (B) the Qualified Trustee does not have exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, then each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock; and provided, further, in the event a Qualified Trustee resigns as trustee, or becomes ineligible to be a Qualified Trustee, or otherwise ceases to serve as a Qualified Trustee, the Founder or Permitted Entity, as applicable, shall have sixty (60) days to appoint a replacement Qualified Trustee before any shares of Class B Common Stock held by such trust shall be automatically converted into shares of Class A Common Stock;

(iv) a trust under the terms of which the Founder has the power to vest in the Founder title to the trust property, if such power is exercisable solely by the Founder without the approval

or consent of any other person or with the consent of a “related or subordinate party” within the meaning of §672(c) of the Internal Revenue Code, provided that exclusive Disposition Control and exclusive Voting Control over shares of Class B Common Stock held by such trust is at all times held by one or both of (i) the Qualified Trustee (ii) the Founder or a Permitted Entity; and provided, in the event a Qualified Trustee resigns as trustee, or becomes ineligible to be a Qualified Trustee, or otherwise ceases to serve as a Qualified Trustee, the Founder or Permitted Entity, as applicable, shall have sixty (60) days to appoint a replacement Qualified Trustee before any shares of Class B Common Stock held by such trust shall be automatically converted into shares of Class A Common Stock. A trust satisfying the conditions of Section 1(n)(iii) or this Section 1(n)(iv) is referred to herein as a “**Qualified Trust**”;

(v) an Individual Retirement Account, as defined in Section 408(a) of the Internal Revenue Code, or a pension, profit sharing, stock bonus or other type of plan or trust of which the Founder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 of the Internal Revenue Code; provided that in each case the Founder has exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held in such account, plan or trust;

(vi) a charitable organization, foundation or similar Entity organized and operated primarily for religious, scientific, literary, education or a charitable purpose (a “**Qualified Charity**”) so long as the Founder, directly, or indirectly through one or more other Permitted Entities, or a Qualified Trustee of a Qualified Trust, retains exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held by such Qualified Charity, it being understood that the Founder shall be deemed for all purposes hereof to retain exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held of record by such Qualified Charity as long as the Founder, a Permitted Entity, or a Qualified Trustee of a Qualified Trust has the right to, directly or indirectly, elect and remove such number of the members of the board of directors, managers or other similar persons in such Qualified Charity who have sufficient voting or other power to direct or exercise the Voting Control and Disposition Control of the shares of Class B Common Stock held of record by such Qualified Charity; provided such Transfer does not involve any payment of cash, securities, property or other consideration (other than an interest in such Qualified Charity) to the Founder or such Permitted Entity, as applicable;

(vii) an estate, so long as the Founder has exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held by such estate; and

(viii) any Entity (each, a “**Founder Entity**”) in which the Founder, directly, or indirectly through one or more Permitted Entities, or a Qualified Trustee of a Qualified Trust, owns or controls shares, membership interests or other voting interests with sufficient voting control in the Entity, or otherwise has legally enforceable rights, such that the Founder retains exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held of record by such Founder Entity, it being understood that the Founder shall be deemed for all purposes hereof to retain exclusive Disposition Control and exclusive Voting Control with respect to the shares of Class B Common Stock held of record by such Founder Entity as long as the Founder, a Permitted Entity, or a Qualified Trustee of a Qualified Trust has the right to, directly or indirectly, elect and remove such number of the members of the board of directors, managers or other similar persons in a Founder Entity who have sufficient voting or other power to direct or exercise the Voting Control and Disposition Control of the shares of Class B Common Stock held of record by such Founder Entity.

For the sake of clarity, in this Section 1(n), the Founder will be deemed to have exclusive Disposition Control and exclusive Voting Control over shares of Class B Common Stock held by a person if a Permitted Entity or, in the case of a Qualified Trust, a Qualified Trustee has exclusive Disposition Control and exclusive Voting Control over such shares.

(o) “Permitted Transfer” means, and is restricted to, any Transfer of a share of Class

B Common Stock:

(i) by a Qualified Stockholder who is a natural person (including a natural person serving in a trustee capacity with regard to a trust for the benefit of himself or herself and/or his or her Family Members), to the trustee of a Permitted Entity that is a trust of such Qualified Stockholder or to such Qualified Stockholder in his or her individual capacity or as a trustee of a Permitted Entity that is a trust;

(ii) by the trustee of a Permitted Entity that is a trust of a Qualified Stockholder, to such Qualified Stockholder, the trustee of any other Permitted Entity that is a trust of such Qualified Stockholder or any Permitted Entity of such Qualified Stockholder;

(iii) by a Qualified Stockholder to any Permitted Entity of such Qualified Stockholder; or

(iv) by a Permitted Entity of a Qualified Stockholder to such Qualified Stockholder or any other Permitted Entity, or the trustee of a Permitted Entity that is a trust of such Qualified Stockholder.

(p)“Permitted Transferee” means a transferee of shares of Class B Common Stock received in a Transfer that constitutes a Permitted Transfer.

(q)“Qualified Stockholder” means (i) the Founder, (ii) any record holder of a share of Class B Common Stock at the Effective Time, and (iii) a Permitted Transferee.

(r)“Trading Day” means any day on which The Nasdaq Stock Market, or any national stock exchange under which the Company’s equity securities are listed for trading, is open for trading.

(s)“Transfer” of a share of Class B Common Stock means any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control over such share by proxy or otherwise; provided, however, that the following shall not be considered a “**Transfer**” within the meaning of this Article IV:

(i) the granting of a revocable proxy to officers or directors of the Company at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

(ii) the existence of any proxy granted prior to the Effective Time or the amendment or expiration of any such proxy;

(iii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (A) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Company, (B) either has a term not exceeding one year or is terminable by the holder of the shares subject thereto at any time and (C) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

(iv)the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise exclusive Voting Control over such pledged shares; provided, however, that a foreclosure on such shares or other similar action by the pledgee shall constitute a “Transfer” unless such foreclosure or similar action qualifies as a “Permitted Transfer”; or

(v) entering into, or reaching an agreement, arrangement or understanding regarding, a support or similar voting or tender agreement (with or without granting a proxy) in connection with a Liquidation Event, Asset Transfer or Acquisition that has been approved by the Board of Directors.

A “Transfer” shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (i) a Permitted Transferee on the date that such Permitted Transferee ceases to meet the qualifications to be a Permitted Transferee of the Qualified Stockholder who effected the Transfer of such shares to such Permitted Transferee, or (ii) an Entity that is a Qualified Stockholder, if there occurs a Transfer on a cumulative basis, from and after the Effective Time, of a majority of the voting power of the voting securities of such Entity or any Parent of such Entity, other than a Transfer to parties that were, as of the Effective Time, holders of voting securities of any such Entity or Parent of such Entity.

(t)“*Voting Control*” means, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting, directly or indirectly, of such share by proxy, voting agreement or otherwise.

2. Rights Relating To Dividends and Other Distributions, Subdivisions and Combinations.

(a)Subject to the prior rights of holders of any Preferred Stock at the time outstanding having prior rights as to dividends or other distributions, the holders of the Class A Common Stock and Class B Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Company legally available therefor, such dividends or other distributions as may be declared from time to time by the Board of Directors. Except as permitted in Section 2(b) of this Part D of Article IV, any dividends or other distributions paid to the holders of shares of Class A Common Stock and Class B Common Stock shall be paid pro rata, on an equal priority, pari passu basis, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

(b)The Company shall not declare or pay any dividend or make any other distribution to the holders of Class A Common Stock or Class B Common Stock payable in securities of the Company unless the same dividend or distribution with the same record date and payment date shall be declared and paid on all shares of Common Stock; provided, however, that (i) dividends or other distributions payable in shares of Class A Common Stock or rights to acquire shares of Class A Common Stock may be declared and paid to the holders of Class A Common Stock without the same dividend or distribution being declared and paid to the holders of the Class B Common Stock if, and only if, a dividend or other distribution payable in shares of Class B Common Stock, or rights to acquire shares of Class B Common Stock, as applicable, are declared and paid to the holders of Class B Common Stock at the same rate and with the same record date and payment date; and (ii) dividends or other distributions payable in shares of Class B Common Stock or rights to acquire shares of Class B Common Stock may be declared and paid to the holders of Class B Common Stock without the same dividend or distribution being declared and paid to the holders of the Class A Common Stock if, and only if, a dividend or other distribution payable in shares of Class A Common Stock, or rights to acquire shares of Class A Common Stock, as applicable, are declared and paid to the holders of Class A Common Stock at the same rate and with the same record date and payment date.

(c)If the Company in any manner subdivides or combines (including by reclassification) the outstanding shares of Class A Common Stock or Class B Common Stock, then the outstanding shares of all Common Stock will be subdivided or combined in the same proportion and manner.

3. Liquidation Rights. In the event of a Liquidation Event, upon the completion of the distributions required with respect to any Preferred Stock that may then be outstanding, the remaining assets of the Company legally available for distribution to stockholders, or consideration payable to the stockholders of the Company, in the case of an Acquisition constituting a Liquidation Event, shall be distributed on an equal priority, pro rata basis to the holders of Class A Common Stock and Class B Common Stock (and the holders of any Preferred Stock then outstanding, if and to the extent required by the Articles of Incorporation), unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and a majority of the outstanding shares of Class B Common Stock, each voting separately as a class (in addition to any vote or consent of the holders of any Preferred Stock then outstanding, if and to the extent required by the Articles of Incorporation); provided, however, for the avoidance of doubt, compensation pursuant to any employment, consulting, severance or other compensatory arrangement to be paid to or received by a person who is also a holder of Class A Common Stock, Class B Common Stock or Preferred Stock does not constitute consideration or a “distribution to stockholders” in respect of the Class A Common Stock, Class B Common Stock or Preferred Stock.

4. Voting Rights.

(a) Class A Common Stock. Each holder of shares of Class A Common Stock shall be entitled to one (1) vote for each share thereof held.

(b) Class B Common Stock. Each holder of shares of Class B Common Stock shall be entitled to thirty (30) votes for each share thereof held.

(c) Voting Generally. Except as required by law or as otherwise set forth herein, the holders of Preferred Stock, Class A Common Stock and Class B Common Stock shall vote together and not as separate series or classes. Except as otherwise required by applicable law or as otherwise set forth herein, holders of Class A Common Stock and Class B Common Stock, as such, shall not be entitled to vote on any amendment to the Articles of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Articles of Incorporation or applicable law.

(d) Class B Common Stock Protective Provisions. Notwithstanding anything herein to the contrary, so long as any shares of Class B Common Stock remain outstanding, the Company shall not, without the approval by vote or written consent of the holders of a majority of the outstanding shares Class B Common Stock, voting together as a separate class, directly or indirectly, or whether by amendment, or through merger, recapitalization, consolidation or otherwise:

(i) amend, alter, or repeal any provision of the Articles of Incorporation or the bylaws of the Company (as amended and/or restated from time to time, the “*Bylaws*”) in a manner that modifies the voting, conversion or other powers, preferences, or other special rights or privileges, or restrictions of the Class B Common Stock;

(ii) reclassify any outstanding shares of Class A Common Stock into shares having rights as to dividends or other distributions, or liquidation, that are senior to the Class B Common Stock or the right to more than one vote for each share thereof;

(iii) issue any shares of Preferred Stock having the power (whether exclusive or shared) to vote, or direct the voting of such shares by proxy, voting agreement or otherwise, equal or superior to the Voting Control; or

(iv) issue any additional shares of Class B Common Stock or other securities

convertible into shares of Class B Common Stock, except for the issuance of Class B Common Stock issuable upon a dividend or other distribution payable in accordance with Section 2(b) of this Part D of Article IV.

5. Optional Conversion.

(a) Optional Conversion of the Class B Common Stock.

(i) At the option of the holder thereof, each share of Class B Common Stock shall be convertible, at any time or from time to time, into one fully paid and nonassessable share of Class A Common Stock as provided herein.

(ii) Each holder of Class B Common Stock who elects to convert the same into shares of Class A Common Stock shall surrender the certificate or certificates therefor (if any), duly endorsed, at the office of the Company or any transfer agent for the Class B Common Stock, and shall give written notice to the Company at such office that such holder elects to convert the same and shall state therein the number of shares of Class B Common Stock being converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the shares of Class B Common Stock to be converted, or, if the shares are uncertificated, immediately prior to the close of business on the date that the holder delivers notice of such conversion to the Company's transfer agent and the person entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class A Common Stock at such time.

6. Automatic Conversion.

(a)Automatic Conversion of the Class B Common Stock. Each share of Class B Common Stock shall automatically be converted into one fully paid and nonassessable share of Class A Common Stock upon a Transfer, other than a Permitted Transfer, of such share of Class B Common Stock. Such conversion shall occur automatically without the need for any further action by any holder of such share and whether or not the certificate(s) representing such share (if any) are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock to be so converted are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Class B Common Stock, the holders of the shares of Class B Common Stock so converted shall surrender the certificate(s) representing such shares (if any) at the office of the Company or any transfer agent for the Class A Common Stock.

(b)Final Conversion. On the Final Conversion Date, each issued share of Class B Common Stock shall automatically, without any further action, convert into one share of Class A Common Stock. Following the Final Conversion Date, the Company may no longer issue any additional shares of Class B Common Stock. Such conversion shall occur automatically without the need for any further action by the holders of such shares and whether or not the certificate(s) representing such share (if any) are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be

obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock to be so converted are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Class B Common Stock, the holders of the shares of Class B Common Stock so converted shall surrender the certificate(s) representing such shares (if any) at the office of the Company or any transfer agent for the Class A Common Stock.

(c)Procedures. The Company may, from time to time, establish such policies and procedures relating to the conversion of Class B Common Stock to Class A Common Stock and the general administration of this dual class stock structure, including the issuance of stock certificates (or the establishment of book-entry positions) with respect thereto, as it may deem reasonably necessary or advisable, and may from time to time request that holders of shares of Class B Common Stock furnish certifications, affidavits or other proof to the Company as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class A Common Stock has not occurred. A determination by the Secretary of the Company as to whether a Transfer results in a conversion to Class A Common Stock shall be conclusive and binding.

(d)Immediate Effect. In the event of a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to this Section 6 of Part D of Article IV, such conversion(s) shall be deemed to have been made at the time that the Transfer of shares occurred or immediately upon the Final Conversion Date, as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock, all rights of the holder of shares of Class B Common Stock shall cease and the person or persons in whose names or names the certificate or certificates (or book-entry position(s)) representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock.

7. Redemption. The Common Stock is not redeemable.

8. Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of the Class B Common Stock, as applicable, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock; and if at any time the number of authorized but unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then- outstanding shares of Class B Common Stock, as applicable, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class A Common Stock to such numbers of shares as shall be sufficient for such purpose.

9. Prohibition on Reissuance of Shares. Shares of Class B Common Stock that are acquired by the Company for any reason (whether by repurchase, upon conversion, or otherwise) shall be retired in the manner required by law and shall not be reissued as shares of Class B Common Stock or otherwise.

V.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Board of Directors.

1. Generally. Except as otherwise provided in the Articles of Incorporation or the NRS, the business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The number of directors that shall constitute the Board of Directors shall be fixed exclusively by resolution(s) adopted by the Board of Directors; provided, however, that, notwithstanding the foregoing, until the Final Conversion Date, the number of directors that shall constitute the whole Board of Directors may also be fixed by a resolution approved by the affirmative vote of the holders of a majority of the voting power of the Class A Common Stock and Class B Common Stock, voting together as a single class.

2. Election.

(a) Directors shall be elected at each annual meeting of the stockholders to hold office until the next annual meeting.

(b) No stockholder entitled to vote at an election for directors may cumulate votes.

(c) Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(d) Election of directors need not be by written ballot unless the Bylaws so provide.

(e) Advance notice of nominations for the election of directors or proposals or other business to be considered by stockholders, which are made by any stockholder of the Company, shall be given in the manner and to the extent provided in the Bylaws.

3. Removal of Directors. Subject to any limitations imposed by applicable law, removal of any director(s) shall be as provided in NRS 78.335.

4. Vacancies. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled by the affirmative vote of (a) a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director, or (b) if such vacancy is created prior to the Final Conversion Date, the holders of a majority of the voting power of the outstanding shares of Class A Common Stock and Class B Common Stock, voting together as a single class. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

5. Preferred Directors. Notwithstanding anything herein to the contrary, during any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Company shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions; and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or

resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected or appointed to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Company shall be reduced accordingly.

B. Stockholder Actions. Following the Final Conversion Date (i) no action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws and (ii) no action shall be taken by the stockholders by written consent. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws. Prior to the Final Conversion Date, any action required or permitted to be taken by the stockholders of the Company at a meeting may be effected by consent in writing, by remote communication or electronic transmission of such stockholders in compliance with NRS 78.320.

C. Bylaws. Subject to the restrictions of Section 4(d) of Part D of Article IV, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws. The stockholders shall also have power to adopt, amend or repeal the Bylaws; provided, however, that, any time after the Final Conversion Date, in addition to any vote of the holders of any class or series of stock of the Company required by law or by the Articles of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class.

D. Special Meetings of Stockholders. Special meetings of the stockholders (a) may be called, for any purpose as is a proper matter for stockholder action under the NRS, by (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption), and (b) until the Final Conversion Date, shall be called, for any purpose as is a proper matter for stockholder action under the NRS, by the Secretary of the Company upon the written request of stockholders of record entitled to cast not less than a majority of the votes at such special meeting, provided that such written request is in compliance with the Bylaws.

VI.

A. The liability of the directors and officers of the Company shall be eliminated or limited to the fullest extent permitted under applicable law, including the NRS. Without limiting the effect of the preceding sentence, if applicable law is amended after approval by the stockholders of this paragraph A of Article VI to authorize corporate action further eliminating or limiting the liability of directors and officers, then the liability of a director or officer of the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

B. To the fullest extent permitted by applicable law, including the NRS and as may be provided for by the Company in the Bylaws or by agreement, the Company may provide indemnification of (and advancement of expenses to) directors, officers, and other agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise. If applicable law is amended after approval by the stockholders of this paragraph B of Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

D. Unless the Company consents in writing to the selection of an alternative forum, the Eighth Judicial District Court of the State of Nevada in Clark County, Nevada (the “**Nevada Court**”) shall be the sole and exclusive forum for the following types of actions or proceedings under Nevada statutory or common law: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of the Company or any stockholder to the Company or the Company’s stockholders; (iii) any action or proceeding asserting a claim against the Company or any current or former director, officer or other employee of the Company or any stockholder arising pursuant to any provision of the NRS, the Articles of Incorporation or the Bylaws (as each may be amended from time to time); (iv) any action or proceeding to interpret, apply, enforce or determine the validity of the Articles of Incorporation or the Bylaws (including any right, obligation or remedy thereunder); (v) any internal action (as defined in NRS 78.046) and any action or proceeding as to which jurisdiction of the District Courts of the State of Nevada is conferred by NRS Title 7; and (vi) any action asserting a claim against the Company or any director, officer or other employee of the Company or any stockholder, governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court’s having personal jurisdiction over the indispensable parties named as defendants. This Article VI shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934 or any other claim for which the federal courts have exclusive jurisdiction.

E. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act of 1933, as amended, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced the Company, its officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

F. To the fullest extent not inconsistent with any applicable U.S. federal laws, any and all “internal actions” (as defined in NRS 78.046) must be tried in a court of competent jurisdiction (subject to the provisions of Parts D and E of this Article VI) before the presiding judge as the trier of fact and not before a jury. This Part F of Article VI shall conclusively operate as a waiver of the right to trial by jury by each party to any such internal action.

G. Any person or Entity holding, owning or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and to have consented to the provisions of this Article VI.

VII.

A. The Company reserves the right to amend, alter, change or repeal any provision contained in the Articles of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B of this Article VII and subject to the restrictions of Section 4(d) of Part D of Article IV, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of the Articles of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote required by law or by the Articles of Incorporation, after the Final Conversion Date, the affirmative vote of the holders of

at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, and VII.

C. Notwithstanding anything to the contrary in the Articles of Incorporation or the Bylaws, the Company is hereby specifically allowed to make any distribution that otherwise would be prohibited by NRS 78.288(2)(b).

D. At such time, if any, that the Company becomes a “resident domestic corporation” (as defined in NRS 78.427), the Company shall not be subject to, and hereby expressly elects not to be governed by, any of the provisions of NRS 78.411 to 78.444, inclusive, or any successor statutes thereto.

VIII.

A. To the fullest extent permitted by law, each and every natural person, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity purchasing or otherwise acquiring any interest (of any nature whatsoever) in any shares of the capital stock of the Company shall be deemed, by reason of and from and after the time of such purchase or other acquisition, to have notice of and to have consented to all of the provisions of (i) the Articles of Incorporation, (ii) the Bylaws and (iii) any amendment to the Articles of Incorporation or the Bylaws enacted or adopted in accordance with the Articles of Incorporation, the Bylaws and applicable law.

B. If any provision or provisions of the Articles shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provision(s) in any other circumstance and of the remaining provisions of the Articles of Incorporation (including, without limitation, each portion of any paragraph of the Articles of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of the Articles (including, without limitation, each such portion of any paragraph of the Articles containing any such provision held to be invalid, illegal or unenforceable) shall be construed (a) so as to permit the Company to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or (b) for the benefit of the Company to the fullest extent permitted by law.

* * * *

CERTIFICATIONS

I, Eric Lefkofsky, certify that:

1. I have reviewed this Form 10-Q of Tempus AI, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14(a)];
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2025

/s/ Eric Lefkofsky

Eric Lefkofsky

Chief Executive Officer, Founder and Chairman

(Principal Executive Officer)

CERTIFICATIONS

I, James Rogers, certify that:

1. I have reviewed this Form 10-Q of Tempus AI, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [Paragraph intentionally omitted pursuant to Exchange Act Rule 13a-14(a)];
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2025

/s/ James Rogers

 James Rogers
 Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Eric Lefkofsky, Chief Executive Officer of Tempus AI, Inc. (the “Company”), and James Rogers, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2025, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2025

/s/ Eric Lefkofsky

Eric Lefkofsky
Chief Executive Officer
(Principal Executive Officer)

/s/ James Rogers

James Rogers
Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tempus AI, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.
