TEMPUS

Tempus AI, Inc.

Investor Presentation

August 2024

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This presentation includes information concerning economic conditions, the Company's industry, the Company's markets and the Company's competitive position that is based on a variety of sources, including information from independent industry analysts and publications, as well as Tempus' own estimates and research. The Company's estimates are derived from publicly available information released by third-party sources, as well as data from its internal research, and are based on such data and the Company's knowledge of its industry, which the Company believes to be reasonable.

This presentation includes certain financial information, such as Non-GAAP Genomics gross margin, Non-GAAP Data and Services gross margin, Non-GAAP operating expenses and Adjusted EBITDA, and Adjusted EBITDA margin, that have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Management uses this non-GAAP financial information internally in analyzing the Company's financial results and believes that it is useful to investors as an additional tool to evaluate ongoing operating results and trends. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable financial measures prepared in accordance with GAAP and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP. Tempus urges you to review the reconciliation of its non-GAAP financial measure to the most directly comparable GAAP financial measure set forth in the Appendix to this presentation, and not to rely on any single financial measure to evaluate the Company's business. For additional information concerning Tempus' non-GAAP measures, see the earnings release posted on Tempus' Investor Relations website at https://investors.tempus.com.

Tempus is focused on building the leading AI-enabled (Intelligent) Diagnostic platform in the world, by integrating

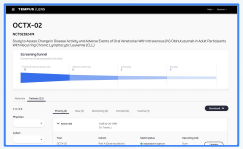
Data + Diagnostics

The Tempus Platform

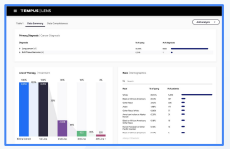
Our end-to-end diagnostic platform **helps doctors make better decisions, drug companies make better drugs**, and patients live longer and healthier lives.

We've established **connections with >2,000 institutions,** to collect real-time clinical, molecular, and imaging data on millions of patients.

Near real time ingestion of this multi-modal data is made actionable by our **proprietary abstraction software** that de-identifies, structures and harmonizes the data into a common format, that also serves as our training set for the Large Language Models (LLMs) we leverage.



Providers



Life Sciences

Tempus Operating System

ML

AI

Data Ingestion & Acquisition

State of the art high-throughput testing labs

- DNA
- RNA
- Proteomics

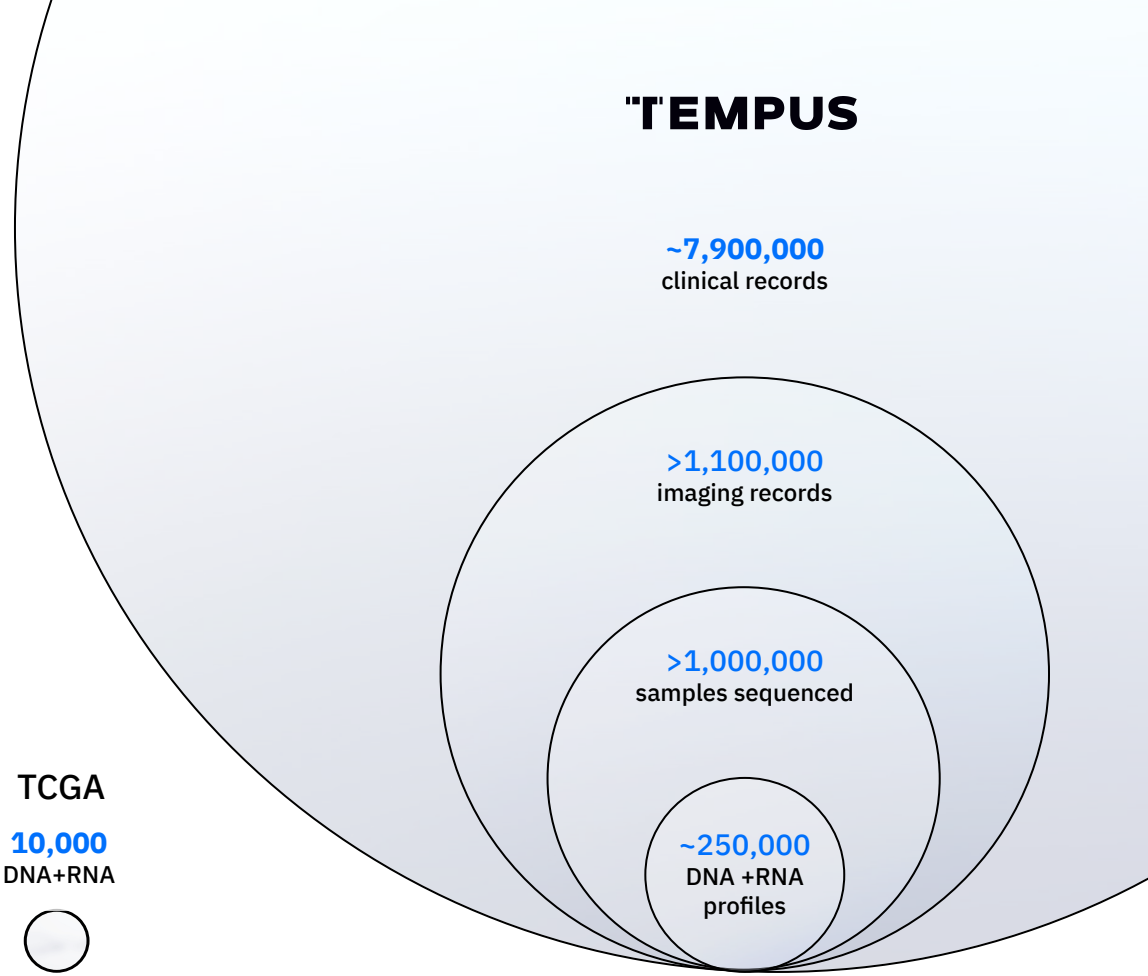
Multi-modal data from trusted healthcare institutions and associations

- Longitudinal Clinical Data
- Clinical Imaging
- Pathology

We operate at scale

Our offerings have been used by more than 7,000 physicians across hundreds of provider networks to date, leading to a diverse platform that is more than 50x the size of The Cancer Genome Atlas (TCGA), the largest public genomic dataset that we know of in oncology. We also had more than 200 petabytes of data in our cloud environment as of year-end 2023.

We are connected to >65% of all Academic Medical Centers and >50% of oncologists in the U.S. are connected through our sequencing and data collection efforts.

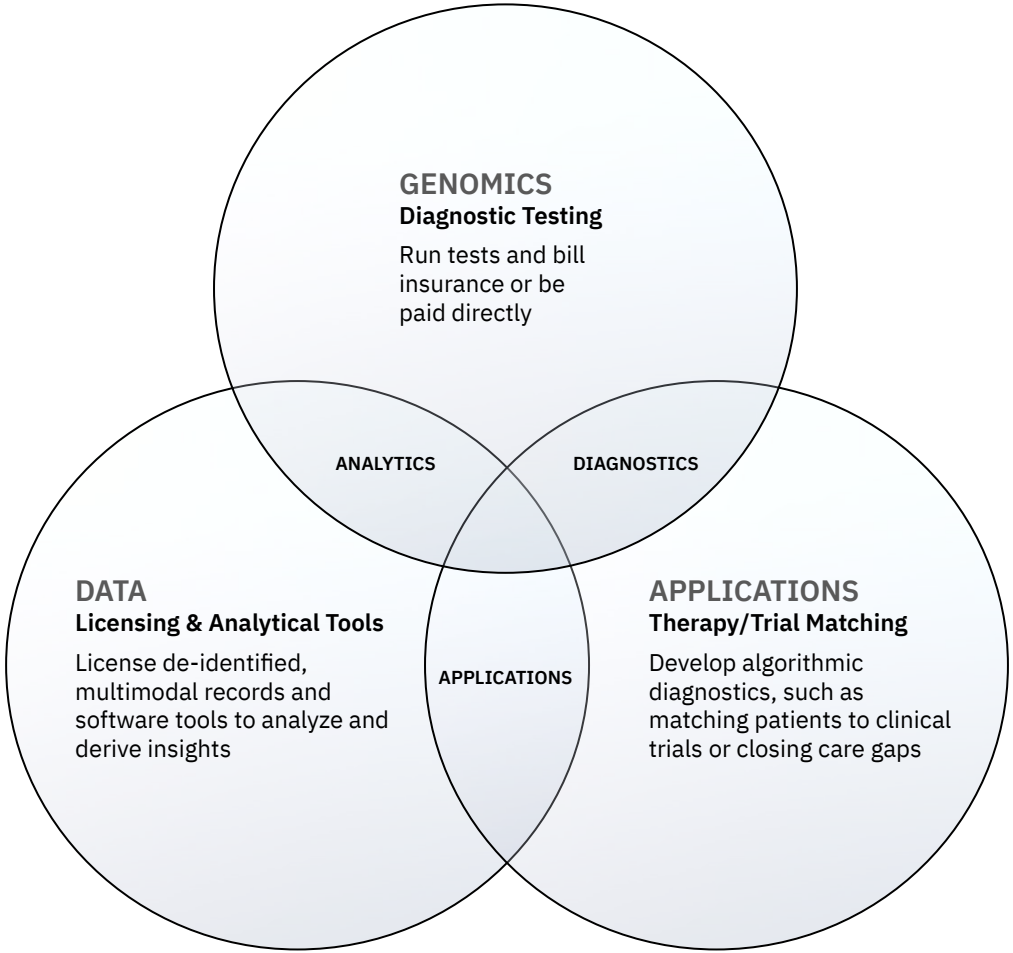


Data as of 6/30/2024

Tempus' three product lines are integrated and benefit from network effects

Our Platform supports our three product lines, with each designed to enable and enhance the others, thereby translating the network effects of our technology into the markets in which we operate and allowing us to monetize our products, and the resulting data we collect, in multiple ways.

Each of our businesses is integrated with the others, reinforcing their impact in the market. **The more patients we sequence, the more data we collect, which allows us to provide additional insights, further enhancing our genomics business and adding more data, which compounds the value of our data and AI business.**



AI is embedded across all of our product lines

Our AI-enabled platform integrates data and diagnostics to deliver insights to physicians and researchers

Genomics

Our AI platform allows us to embed the benefits of continuous learning into our reports with products like:

NOW that allows us match and refresh recommended therapies

TIME ON THERAPY that allows doctors to see how similar patients have been treated

ONE that allows doctors to talk to our reports and ask questions to help them refine therapy selection

Our tests are smart, and continue to get smarter over time, which has propelled our growth

Data

We abstract vast amounts of clinical and molecular data through our AI platform with products like:

COHORTS which allow us to use LLM's to parse through billions of pages of text to find the right patients for our client's research projects

LENS which allows our biopharma clients to perform complex analytics on de-identified multi-modal data using our AI Agents and software tools to uncover insights to accelerate innovation and drug development

With our platform, we use AI to help convert diagnostics into data

Applications

Our AI platform, by virtue of our connection to over 2,000 hospitals in the US, allows us to us to deploy applications with products like:

LINK which helps providers find patients that are fit for clinical trials in near real time

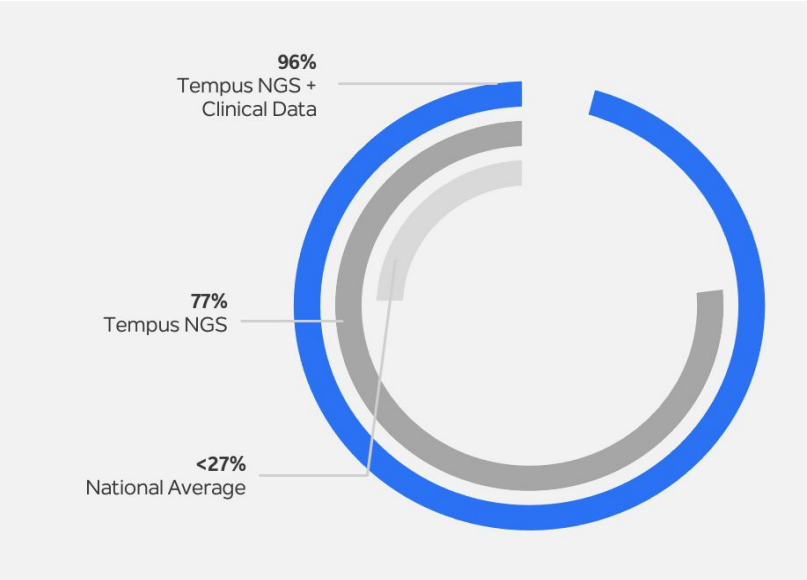
NEXT which helps identify care gaps before it's too late, to ensure that every patient is on the optimal therapeutic

Our tools span oncology, cardiology, pathology, and radiology, where we have AI models operating at scale across clinical data, pathology slides, radiology scans, and molecular files

Genomics

Our first product line, Genomics, focuses on delivering intelligent and personalized molecular results to physicians

In a study published in *Nature Bio*, Tempus NGS + Clinical Data yielded higher match rates to targeted therapies and clinical trials.



We provide NGS diagnostics, molecular genotyping, and other anatomic and molecular pathology testing to healthcare providers, life sciences companies, and other researchers. Tempus embeds a variety of AI-enabled features into its tests making them smarter and more personalized:

- Contextualized results based on clinical, molecular and other relevant data modalities
- The ability to compare a patient against similar patients to personalize treatment
- Clinical trial matching that takes into consideration inclusion and exclusion criteria
- Numerous purely algorithmic insights to refine therapy selection

Our tests are developed with scientific rigor and supported by:

- **>500 publications,** of which >400 were Tempus-authored, including:
- **~140 peer-reviewed articles**, of which ~100 were Tempus-authored
- **~290 poster presentations** based on clinical and research data presented at major scientific conferences
- **~30 oral presentations** at scientific meetings such as ASCO, SABCS and AHA

ONCOLOGY

Tempus xT (2017)

648 gene solid tumor cancer DNA assay; FDA approved in April 2023; sensitivity >98% for SNVs, >92% for rearrangements / fusions, >92% for CNVs and indels, and 99.9% for MSI

Tempus xR (2023)

Whole transcriptome RNA assay; 43.4% of patients matched to targeted therapy when DNA seq., RNA seq. and immune biomarker assessment were combined vs 29.6% with DNA seq. alone

Tempus xF (2018)

105 & 523 gene liquid biopsy cancer assay; >99.9% sensitivity for SNVs, 98.8% for indels, >99.9% for CNVs, and 97.4% for rearrangements and fusions

Tempus xE (2018)

Whole exome cancer assay; sensitivity 99.4% for SNVs, 97.1% for indels, 85.7% for copy number gains

Tempus xG (2021)

52 & 88 gene inherited cancer risk germline assays; >99% sensitivity for SNVs, indels, CNVs and gene arrangements

Tempus xM (2024)

High coverage methylation sequencing for minimal residual disease in (early stage) cancer and monitoring (late stage); landmark sensitivity 61.1%, longitudinal sensitivity 83.3%, specificity 89.5% across stage II/III CRC patients

ALGORITHMIC TESTS

HRD (2020)

Homologous recombination deficiency algo

TO (2021)

Tumor origin algo

DPYD (2021)

Dihydropyrimidine dehydrogenase deficiency algo

UGT1A1 (2022)

Elevated toxicity risk algo

PurIST (2023)

Subtype classification in PDAC algo

NEUROPSYCHIATRY

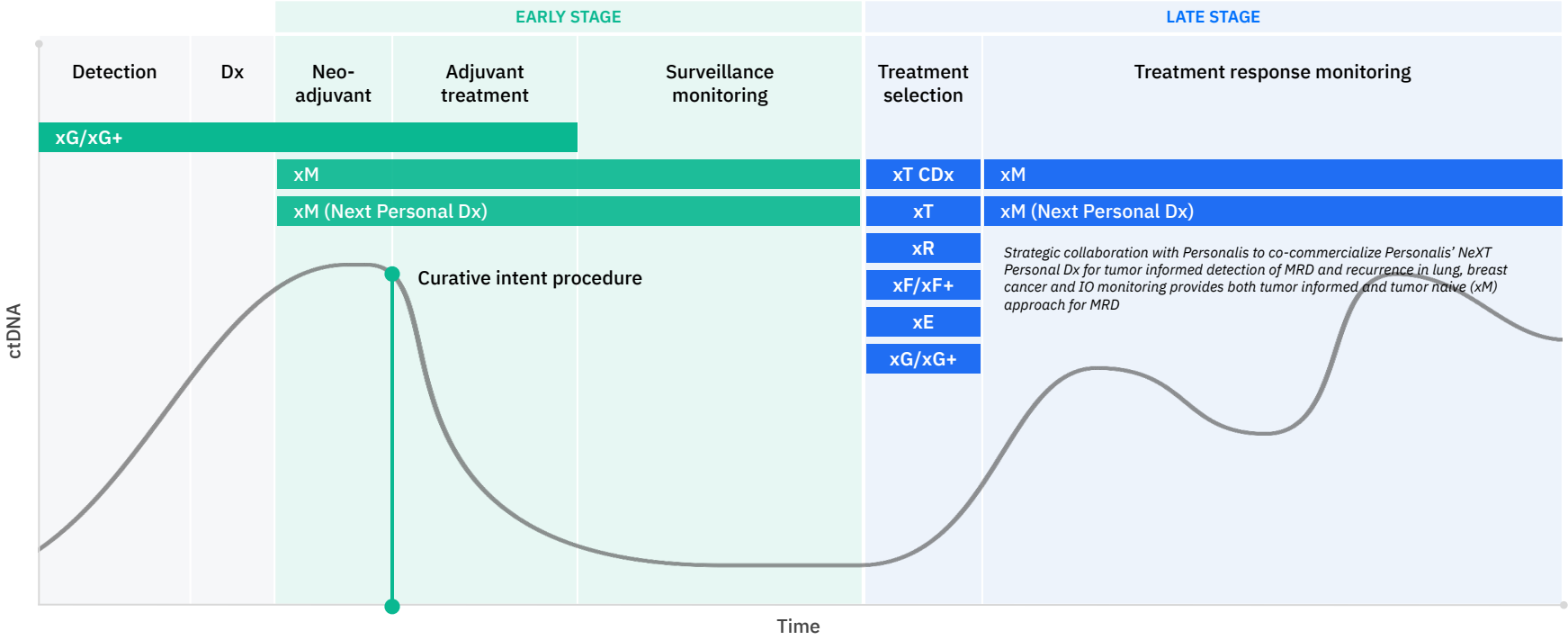
Tempus nP (2019)

Pharmacogenomics profiling in neuropsychology; >99% sensitivity for SNVs, indels and CYP2D6 CNVs

Announced strategic collaboration with Personalis to co-commercialize NeXT Personal Dx for tumor informed detection of MRD and recurrence in lung, breast cancer and IO monitoring

Tempus' growth to date in Genomics has been entirely within treatment selection. With the launch of our **new minimal residual disease and monitoring assay, xM**, we expect to gain access to a global market opportunity that is significantly larger than the selection market.

Illustrative of ctDNA levels throughout a patient's treatment journey to detect minimal residual disease (MRD)



Data

Our second product line, **Data & Services**, is centered on licensing de-identified data

Data & Licensing

Our primary data product is the licensing of libraries of de-identified clinical, molecular, and imaging data and providing a suite of analytic and cloud-and-compute tools to pharmaceutical and biotechnology companies.

Customers historically have moved from licensing discrete data sets to multi-year strategic collaborations over time.

We work with 19 of the 20 largest public pharmaceutical companies based on 2023 revenue, and, as of year-end 2023, we have signed contracts with a **total remaining contract value of >$900 million,** a majority of which we expect to deliver over the next several years.

Data & Services

We measure our data business based on the remaining committed total contract value (the “Remaining Committed TCV”) that is contractually committed to be delivered in the future and annual net revenue retention from customers.

Remaining Committed TCV*

>$900M

including ~$300M in future opt-ins

Data Licensing Retention**

~125%

net revenue retention in 2023

**As of June 30, 2024 approximate Remaining TCV is equal to the total potential value of signed contracts and assumes the exercise of all contract options, all discretionary opt-ins, and no early termination. It excludes any revenue recognized to date on these contracts or any future adjustments made to the contractual value as a result of amendments or terminations. Many of our agreements contain termination clauses, including the ability of our counterparty to terminate for convenience, and there can be no guarantee that contracts will not be terminated, that contractual options and discretionary opt-ins will be exercised, or that we will achieve the full amount of potential revenue represented by these contracts in the time periods set forth above or at all. Remaining TCV is not a calculation of revenue and should be viewed independently ofrevenue and deferred revenue, as Remaining TCV is not intended to be combined with or replace these items. Similarly, Remaining TCV is not a forecast of future revenue, which can be impacted by, among other things, contract start and end dates and the exercise of contractual options. Moreover, Remaining TCV may differ from similarly titled metrics presented by other companies and may not be comparable to such other metrics.*

*** Net Revenue Retention compares the annual revenue generated from all Data Licensing customers (includes data and services, excluding CRO services) in one year to the annual revenue generated from the same cohort of Data Licensing customers in the subsequent year. Net Revenue Retention is not a calculation of revenue and should be viewed independently of revenue and deferred revenue, as Net Revenue Retention is not intended to be combined with or replace these items. Similarly, Net Revenue Retention is not a forecast of future revenue. Moreover, Net Revenue Retention may differ from similarly titled metrics presented by other companies and may not be comparable to such other metrics.*

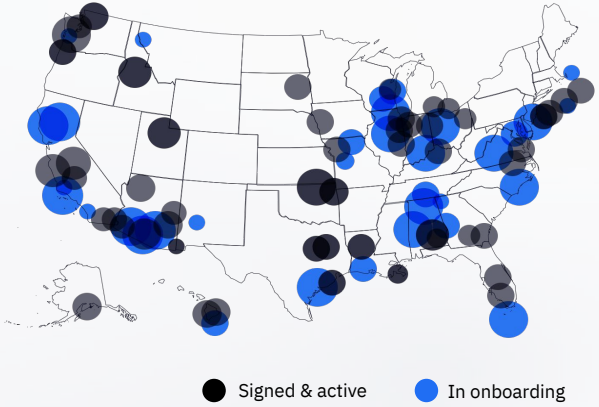
Applications

Our third product line, Applications, connects patients to the right clinical trial

Our Trials product is designed to leverage our broad network of physicians in oncology (The TIME Network) to provide clinical trial matching services for pharmaceutical companies that are looking to reach hard-to-find and underserved patient populations. We empower both oncologists to help their patients find clinical trials and pharmaceutical companies to enroll patients into their trials. We also offer AI-enabled CRO services through our Compass product through which we leverage technology to help our clients run more efficient trials.

Tempus Trials Network[1]

The Trials product harnesses AI-enabled solutions to accelerate the connection between patients, clinical trial providers, and pharmaceutical companies



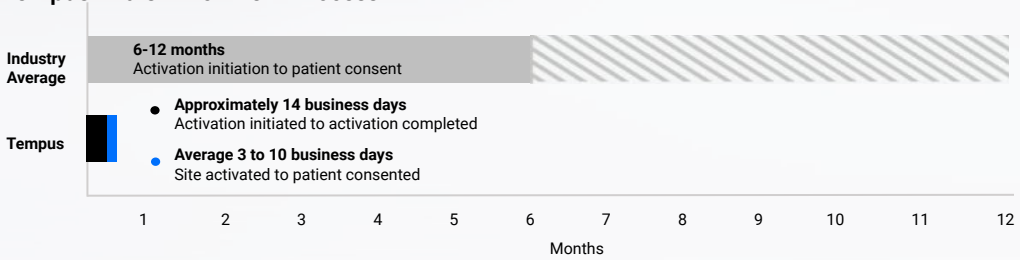
90+
Health systems

250+
Clinical trials signed into network

~14
Business days for just-in-time activation

>30,000
Patients identified for potential clinical trials participating in our network

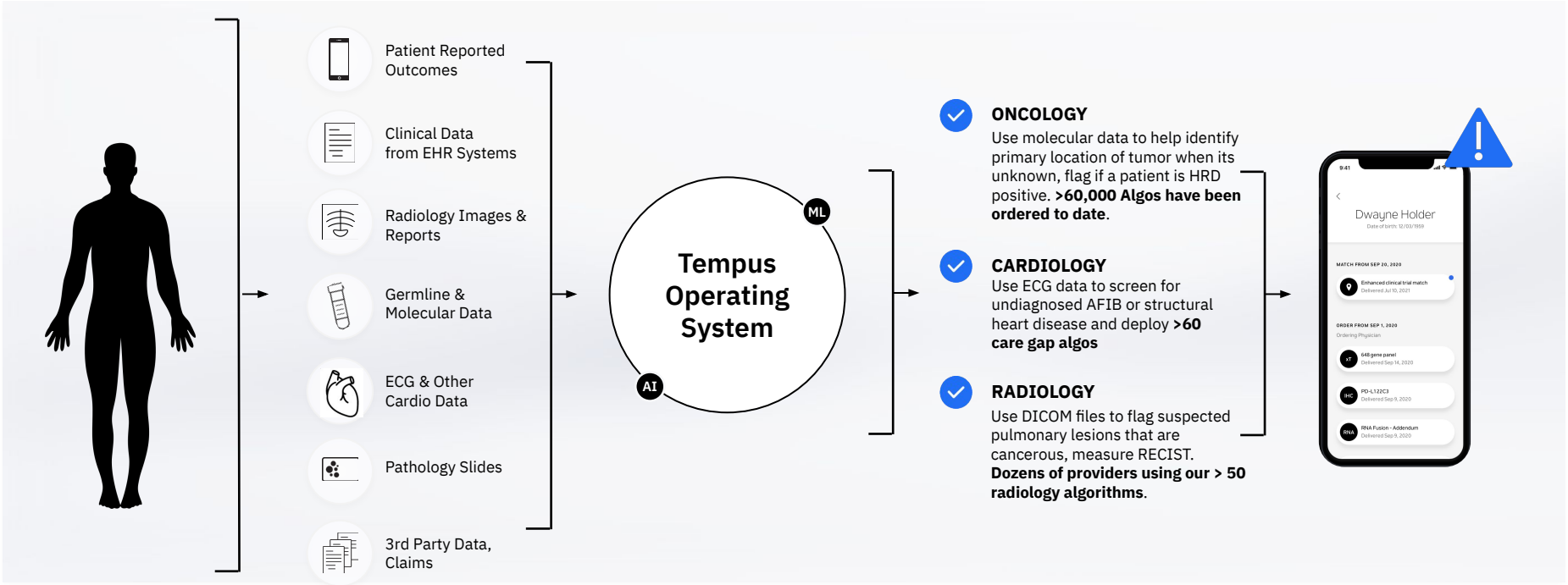
Tempus Trials Enrollment Process



[1] *Data through 6/30/2024*

Our Applications also ensure that each patient is on the right therapeutic path

Our AI Algorithms leverage ML models that look at multimodal data and make AI-enabled diagnostic recommendations that are only possible by virtue of Tempus' real time connectivity to providers and the data that feeds our platform. The result is a suite of care gap algorithms, called "Next" that help physicians determine what to do *next* in the clinic and match those care gaps with therapeutics in near real time.



Financials

Q2 2024

Performance summary

GAAP Results	Q2 2024	Q2 2023
Revenue	**$ 166.0M**	**$132.4M**
Genomics revenue	$112.3M	$91.9M
Data & Services revenue	$53.6M	$40.5M
Genomics gross margin	39.2%	48.9%
Data & Services gross margin	58.7%	65.9%
Operating expenses	$609.0M	$116.8M
Net Loss	$(552.2M)	$(55.8M)
Non-GAAP Results		
Non-GAAP Genomics gross margin	49.4%	48.9%
Non-GAAP Data and services gross margin	72.4%	65.9%
Non-GAAP Operating expenses	$134.7M	$116.8M
Adjusted EBITDA	$(31.2M)	$(37.0M)
Adjusted EBITDA margin	(18.8%)	(27.9%)

Refer to the Appendix for reconciliation of non-GAAP figures to the most directly comparable GAAP figure

Full year 2024 guidance

Our revenue and adjusted EBITDA guidance reflect targets and are therefore noted to be approximate values for fiscal year 2024. Given the unique nature of our business, it is difficult to predict these numbers with complete accuracy; as such, the word “approximately” implies a modest range.

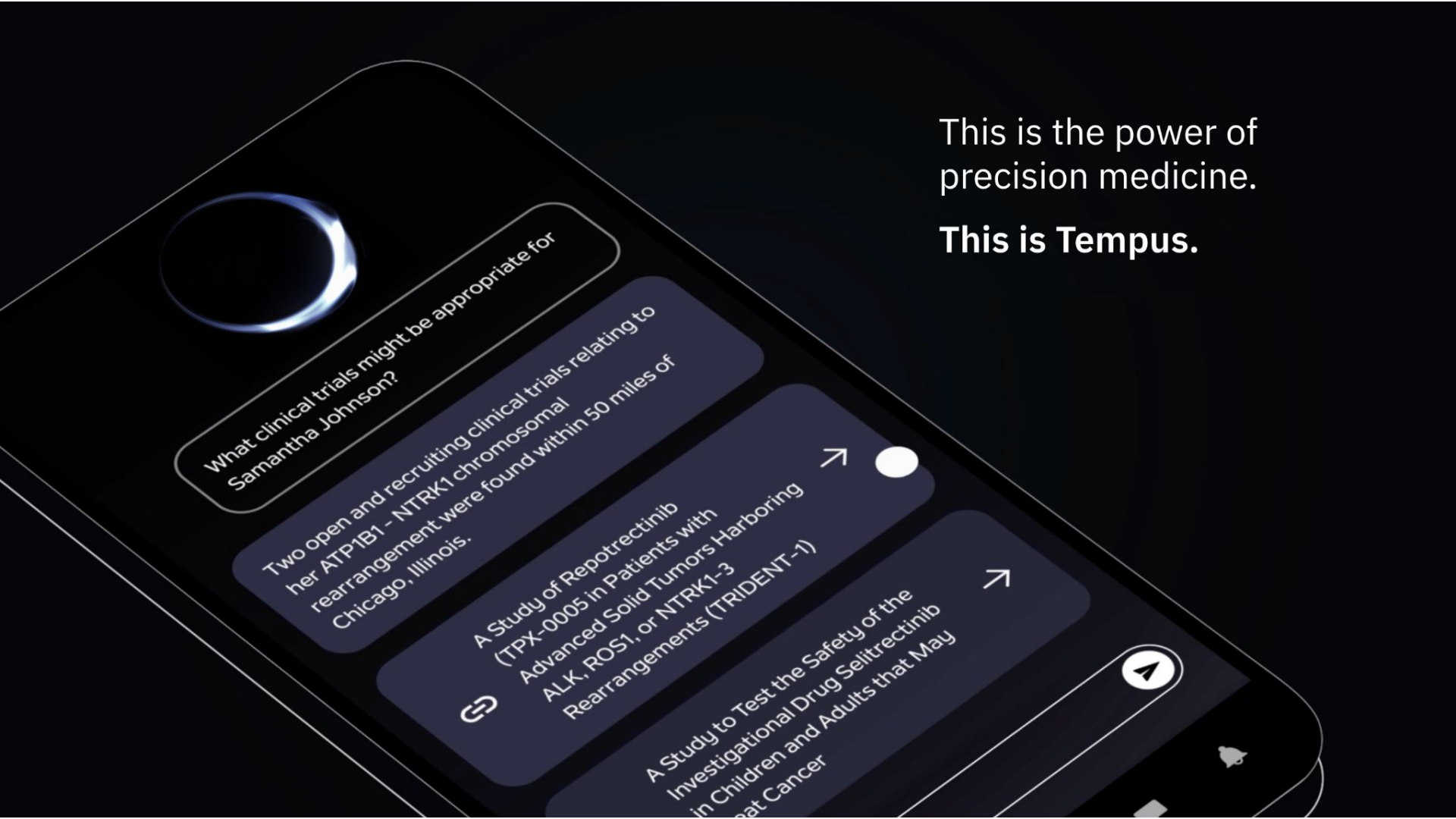
~$700M Revenue

↑ 32% year-over-year

~$(105M) Adjusted EBITDA

↑ $50M improvement over 2023

Tempus believes non-GAAP financial measures are useful to investors and others because they allow for additional information with respect to financial measures used by management in its financial and operational decision-making and they may be used by institutional investors and the analyst community to help them analyze the health of Tempus’ business. In particular, Adjusted EBITDA is a key measurement used by Tempus management to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. However, there are a number of limitations related to the use of non-GAAP financial measures, and these non-GAAP measures should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with GAAP. Other companies, including companies in our industry, may calculate these non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.



This is the power of precision medicine.

This is Tempus.

Non-GAAP Genomics

Gross profit and gross profit margin reconciliation

Unaudited
In thousands, except percentages

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue	112,324	91,924	214,893	173,982
Cost of revenues	68,324	46,961	121,159	92,241
Gross profit	**$ 44,000**	**$ 44,963**	**$ 93,734**	**$ 81,741**
Stock-based compensation expense	11,327	-	11,327	-
Employer payroll tax related to stock-based compensation	136	-	136	-
Non-GAAP gross profit	**$ 55,463**	**$ 44,963**	**$ 105,197**	**$ 81,741**
Gross margin	39.2%	48.9%	43.6%	47.0%
Stock-based compensation expense	10.1%	0.0%	5.3%	0.0%
Employer payroll tax related to stock-based compensation	0.1%	0.0%	0.1%	0.0%
Non-GAAP gross margin	**49.4%**	**48.9%**	**49.0%**	**47.0%**

Non-GAAP Data and Services

Gross profit and gross profit margin reconciliation

Unaudited
In thousands, except percentages

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue	53,645	40,493	96,896	74,059
Cost of revenues	22,132	13,807	37,420	25,200
Gross profit	**$ 31,513**	**$ 26,686**	**$ 59,476**	**$ 48,859**
Stock-based compensation expense	7,229	-	7,229	-
Employer payroll tax related to stock-based compensation	119	-	119	-
Non-GAAP gross profit	**$ 38,861**	**$ 26,686**	**$ 66,824**	**$ 48,859**
Gross margin	58.7%	65.9%	61.4%	66.0%
Stock-based compensation expense	13.5%	0.0%	7.5%	0.0%
Employer payroll tax related to stock-based compensation	0.2%	0.0%	0.1%	0.0%
Non-GAAP gross margin	**72.4%**	**65.9%**	**69.0%**	**66.0%**

Non-GAAP

Operating expenses reconciliation

Unaudited
In thousands

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Technology R&D	77,908	23, 427	$ 104,975	$ 46,329
Stock-based compensation expense	50,434	_	50,434	_
Employer payroll tax related to stock-based compensation	1,248	_	1,248	_
Non-GAAP technology R&D	**$ 26,226**	**$ 23,427**	**$ 53,293**	**$ 46,329**
Research & development	68,025	$ 22,171	$ 92,365	$ 43,034
Stock-based compensation expense	42,233	-	42,233	_
Employer payroll tax related to stock-based compensation	676	-	676	_
Non-GAAP R&D	**$ 25,116**	**$ 22,171**	**$49,456**	**$ 43,034**
Selling, general & administrative	463,072	$ 71,189	$ 542,636	$ 140,236
Stock-based compensation expense	377,090	-	377,090	_
Employer payroll tax related to stock-based compensation	2,582	-	2,582	_
Non-GAAP selling, G&A	**$ 83,400**	**$71,189**	**$ 162,964**	**$140,236**

Non-GAAP

Operating expenses reconciliation

Unaudited
In thousands

	Three) months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating expenses	609,005	116,787	739,976	229,599
Stock-based compensation expense	469,757	-	469,757	-
Employer payroll tax related to stock-based compensation	4,506	-	4,506	-
Non-GAAP operating expenses	**$ 134,742**	**$116,787**	**$265,713**	**$229,599**

Adjusted EBITDA reconciliation

Unaudited
In thousands

[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, and indemnity-related holdback liabilities.

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net loss	(552,212)	(55,832)	(616,955)	(110,209)
Interest income	(1,718)	(1,957)	(2,749)	(4,381)
Interest expense	13,295	11,712	26,533	20,903
Depreciation	6,415	5,194	12,684	10,254
Amortization	2,744	3,043	5,664	5,931
Provision for income taxes	95	3	106	9
EBITDA	**$ (531,381)**	**$ (37,837)**	**$ (574,717)**	**$ (77,493)**
Losses on equity method investments	-	170	-	301
Fair value changes [1]	4,870	700	4,280	(5,700)
Stock-based compensation expense	488,313	-	488,313	-
Employer payroll tax related to stock-based compensation	4,762	-	4,762	-
G-4 Special Payment	2,250	-	2,250	-
Adjusted EBITDA	**$ (31,186)**	**$ (36,967)**	**$ (75,112)**	**$ (82,892)**

Non-GAAP EPS reconciliation

Unaudited
In thousands

[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, and indemnity-related holdback liabilities.

	Three months ended June 30, 2024	Six months ended June 30, 2024
Net loss	(552,212)	(616,955)
Fair value changes [1]	4,870	4,280
Stock-based compensation expense	488,313	488,313
Employer payroll tax related to stock-based compensation	4,762	4,762
G-4 Special Payment	2,250	2,250
Non-GAAP net loss	(52,017)	(117,350)
Non-GAAP net loss per share	(0.63)	(1.61)
Weighted average common shares outstanding, basic and diluted	82,325	72,930