

TEMPUS

Tempus Reports First Quarter 2026 Results

May 5, 2026

CHICAGO--(BUSINESS WIRE)--May 5, 2026-- Tempus AI, Inc. (NASDAQ: TEM), a technology company leading the adoption of AI to advance precision medicine and patient care, today reported financial results for the quarter ended March 31, 2026.

- Revenue of \$348.1 million, up 36.1% year-over-year
- Diagnostics revenue of \$261.1 million, representing 34.7% growth year-over-year, driven by Oncology volume growth of 28%
 - MRD volume was ~6,500 tests in Q1 2026, up ~500% year-over-year
- Data and Applications revenue of \$87.0 million, representing 40.5% year-over-year growth, with Insights (data licensing and modeling) growing 44.1%
- \$643.8 million in cash and marketable securities as of March 31, 2026
- Increasing revenue guidance to \$1.59 to \$1.60 billion for 2026 and expect full year 2026 Adjusted EBITDA of approximately \$65 million

"Our strong financial and operational performance this quarter underscores the accelerating demand for our AI-driven diagnostic platform and the immense value of our multimodal data and corresponding AI models," said Eric Lefkofsky, Founder and CEO of Tempus. "We continue to see strong momentum as we deploy more sophisticated algorithms across our platform, driving 36% revenue growth year-over-year, with particular strength in our Oncology diagnostic business and data and modeling business."

First Quarter Summary Results

- Revenue increased 36.1% year-over-year to \$348.1 million.
 - Diagnostics generated \$261.1 million of revenue, representing 34.7% year-over-year growth, driven by Oncology volume growth of 28% and Hereditary volume growth of 54% (7% growth when accounting for Ambry's 2025 pre-acquisition volumes given February's closing date).
 - Data and Applications revenue generated \$87.0 million of revenue, representing 40.5% year-over-year growth, with Insights growing 44.1%.
- Gross profit increased 43.1% year-over-year to \$222.0 million, led by growth in Data and Applications.
- Net loss was (\$125.9 million), which included \$56.3 million of stock compensation expense and related employer payroll taxes in the first quarter and \$32.3 million in unrealized losses on marketable securities, compared to a net loss of (\$68.0 million) in the first quarter of 2025 and a net loss of (\$54.2 million) in the fourth quarter of 2025.
- Adjusted EBITDA was (\$2.8 million), compared to (\$16.2 million) in the first quarter of 2025 and \$12.9 million in the fourth quarter of 2025.

Recent Operational Highlights

- Established a multi-year, strategic collaboration with Merck to accelerate biomarker discovery

and development by leveraging Tempus' multimodal data and Lens analytical platform.

- Expanded our collaboration with Gilead to provide enterprise-wide access to our AI-driven Lens platform and multimodal datasets, aimed at advancing their oncology pipeline through real-world evidence and AI-driven insights.
- Selected by Northwestern Medicine to expand genomic testing access to oncology patients across the health system, leveraging Tempus' full suite of DNA, RNA, liquid biopsy, and MRD tests to enable more personalized cancer care and clinical trial design.
- Entered a multi-year strategic collaboration with NYU Langone Health, centered on a prospective observational study that uses serial molecular profiling to track cancer evolution and treatment resistance, with the goal of developing AI-powered diagnostic tools and personalized therapies.
- Entered strategic collaboration with Blood Cancer United to develop one of the largest real-world data registries for pediatric acute myeloid leukemia, aimed at accelerating research and improving treatment options for young patients.
- Announced study results from the ALERT trial in collaboration with Medtronic showing that Tempus' AI-driven EHR notifications increased life-saving heart valve procedures by 40% for patients with significant disease.
- Published a study in JCO Precision Oncology demonstrating that Tempus' advanced features including tumor-normal matching and RNA sequencing identified actionable findings in 12% of patients that were missed by standard testing.
- Announced the launch of a first-of-its-kind pan-cancer algorithm that utilizes RNA expression data to identify Homologous Recombination Deficiency (HRD), expanding the number of patients who may benefit from PARP inhibitors beyond those identified by traditional DNA testing.

First Quarter Financial Results

| | Three Months Ended March 31, | | Change |
|------------------------------------|--|-------------|---------|
| | 2026 | 2025 | |
| | (in thousands, except percentages and per share amounts) | | |
| | (unaudited) | | |
| Revenue | \$ 348,116 | \$ 255,737 | 36.1% |
| Gross profit | \$ 222,041 | \$ 155,203 | 43.1% |
| Loss from operations | \$ (84,711) | \$ (68,689) | 23.3% |
| Non-GAAP loss from operations | \$ (11,580) | \$ (25,777) | (55.1)% |
| Net loss | \$ (125,919) | \$ (68,037) | 85.1% |
| Non-GAAP net loss | \$ (22,612) | \$ (41,561) | (45.6)% |
| Adjusted EBITDA | \$ (2,833) | \$ (16,174) | 82.5% |
| Net loss per share, basic | \$ (0.70) | \$ (0.40) | 75.0% |
| Non-GAAP net loss per share, basic | \$ (0.13) | \$ (0.24) | (45.8)% |

Financial Outlook and Guidance

Tempus is increasing full year 2026 revenue guidance to \$1.59 billion - \$1.60 billion, which represents ~25% annual growth. We continue to expect 2026 Adjusted EBITDA to be ~\$65 million.

For additional information on the quarter, including a letter from our CEO and CFO, please visit our investor relations site at investors.tempus.com.

Webcast and Conference Call Information

A conference call and webcast will begin today, May 5, 2026 after market close at 4:30 p.m. Eastern Time. Interested parties may access details at:

Conference ID: 4294068
Domestic Dial-in Number: (646) 307-1963
International Dial-in Number: (800) 715-9871
Live webcast: <https://edge.media-server.com/mmc/p/rv7jv7ti>

The webcast may be accessed on the company's investor relations website at investors.tempus.com. For those unable to listen to the live webcast, a recording will be made available on the company's website after the event and will be accessible for one year. Visit the investor relations website to find the company's latest deck, and commentary on the quarter by Eric Lefkofsky, Founder and CEO and Jim Rogers, CFO, which will be discussed on the conference call and webcast.

Tempus Inaugural Investor Day and Webcast Details

Tempus will host its inaugural Investor Day for analysts and institutional investors on Friday, May 29, 2026.

The event will feature comprehensive presentations from several senior Tempus leaders, highlighting key developments across the company's Diagnostics and Data & Applications organizations. The live webcast of management presentations is scheduled to begin at 8:00 a.m. Central Time.

The Investor Day will be broadcast live and can be accessed through the Investor Relations section of the Tempus website under the "News & Events" tab at investors.tempus.com. Institutional investors can request in-person attendance at our Chicago headquarters by emailing investorrelations@tempus.com.

About Tempus

Tempus is a technology company advancing precision medicine through the practical application of artificial intelligence in healthcare. With one of the world's largest libraries of multimodal data, and an operating system to make that data accessible and useful, Tempus provides AI-enabled precision medicine solutions to physicians to deliver personalized patient care and in parallel facilitates discovery, development and delivery of optimal therapeutics. The goal is for each patient to benefit from the treatment of others who came before by providing physicians with tools that learn as the company gathers more data. For more information, visit tempus.com.

Non-GAAP Financial Measures

In addition to the financial information presented in this release in accordance with accounting principles generally accepted in the United States of America (GAAP), Tempus also presents adjusted non-GAAP financial measures.

Non-GAAP gross profit is defined as GAAP gross profit, excluding stock-based compensation expense and employer payroll tax related to stock-based compensation (collectively, the "stock-based compensation adjustments"). **Non-GAAP gross margin** is defined as gross profit, excluding the stock-based compensation adjustments, as a percentage of revenue. **Non-GAAP operating expenses** are calculated as the sum of technology research and development expense, research and development expense, and selling, general and administrative expense, excluding the stock-based compensation adjustments, acquisition-related expenses, and amortization of intangibles due to acquisition. **Non-GAAP loss from operations** is defined as loss from operations, adjusted to exclude (i) the stock-based compensation adjustments, (ii) acquisition-related expenses, and (iii) amortization of intangibles due to acquisition. **Non-GAAP net loss** is defined as net loss, adjusted to exclude (i) changes in fair value of our marketable equity securities and indemnity-related holdback liabilities, (ii) the stock-based compensation adjustments, (iii) acquisition-related expenses, (iv) amortization of intangibles due to acquisition, (v) losses from equity method investments, (vi) benefit from income taxes, and (vii) amortization of deferred other income from our IP License Agreement with SB Tempus. **Non-GAAP net loss per share** is defined as non-GAAP net loss divided by weighted average common shares outstanding, basic and diluted.

Adjusted EBITDA is defined as net loss, adjusted to exclude (i) interest income, (ii) interest expense, (iii) depreciation and amortization, (iv) benefit from income taxes, (v) losses from equity method investments, (vi) changes in fair value of our marketable equity securities and indemnity-related holdback liabilities, (vii) the stock-based compensation adjustments, (viii) acquisition-related expenses, and (ix) amortization of deferred other income from our IP License Agreement with SB Tempus.

Tempus believes these 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.

Tempus does not provide guidance for net loss, the most directly comparable GAAP measure to Adjusted EBITDA, and similarly cannot provide a reconciliation between Tempus' forecasted Adjusted EBITDA and net loss without unreasonable effort due to the unavailability of reliable estimates for certain components of net loss and the respective reconciliations. These forecasted items are not within Tempus' control, may vary greatly between periods, and could significantly impact future financial results.

Other Key Metrics

Total Remaining Contract Value (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. Remaining TCV 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.

Net Revenue Retention compares the annual Insights product revenue generated from all customers that made an Insights purchase in one year to the annual Insights product revenue generated from the same cohort of customers in the subsequent year.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, about Tempus and its industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this press release are forward-looking statements, including, but not limited to, Tempus' expected financial results for full year 2026; expectations concerning Tempus' collaborations and partnerships; and Tempus' growth expectations. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "going to," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions. Tempus cautions you that the foregoing may not include all of the forward-looking statements made in this press

release.

You should not rely on forward-looking statements as predictions of future events. Tempus has based the forward-looking statements contained in this press release primarily on its current expectations and projections about future events and trends that it believes may affect Tempus' business, financial condition, results of operations and prospects. These forward-looking statements are subject to risks and uncertainties related to: the intended use of Tempus' products and services; Tempus' financial performance; the ability to attract and retain customers and partners; managing Tempus' growth and future expenses; competition and new market entrants; compliance with new laws, regulations and executive actions, including any evolving regulations in the artificial intelligence space; the ability to maintain, protect and enhance Tempus' intellectual property; the ability to attract and retain qualified team members and key personnel; the ability to repay or refinance outstanding debt, or to access additional financing; future acquisitions, divestitures or investments, including Tempus' ability to realize the expected benefits of the acquisition of Paige AI, Ambry Genetics and Deep 6 AI; the potential adverse impact of climate change, natural disasters, health epidemics, macroeconomic conditions, trade tensions and tariffs, and war or other armed conflict, as well as risks, uncertainties, and other factors described in the section titled "Risk Factors" in Tempus' Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission ("the SEC") on February 24, 2026, as well as in other filings Tempus may make with the SEC from time to time. In addition, any forward-looking statements contained in this press release are based on assumptions that Tempus believes to be reasonable as of this date. Tempus undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

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

| | Three Months Ended March 31, | |
|--|-------------------------------------|---------------------|
| | 2026 | 2025 |
| Net revenue | | |
| Diagnostics | \$ 261,098 | \$ 193,804 |
| Data and applications ⁽¹⁾ | 87,018 | 61,933 |
| Total net revenue | <u>\$ 348,116</u> | <u>\$ 255,737</u> |
| Cost and operating expenses | | |
| Cost of revenues, diagnostics | 100,960 | 84,783 |
| Cost of revenues, data and applications | 25,115 | 15,751 |
| Technology research and development | 45,921 | 33,391 |
| Research and development | 48,237 | 35,874 |
| Selling, general and administrative | 212,594 | 154,627 |
| Total cost and operating expenses | <u>432,827</u> | <u>324,426</u> |
| Loss from operations | <u>\$ (84,711)</u> | <u>\$ (68,689)</u> |
| Interest income | 3,866 | 1,813 |
| Interest expense | (14,341) | (18,003) |
| Other expense, net | (27,709) | (27,455) |
| Loss before benefit from income taxes | <u>\$ (122,895)</u> | <u>\$ (112,334)</u> |
| Benefit from income taxes | 62 | 46,180 |
| Losses from equity method investments | (3,086) | (1,883) |
| Net Loss | <u>\$ (125,919)</u> | <u>\$ (68,037)</u> |
| Net loss per share | | |
| Basic | \$ (0.70) | \$ (0.40) |
| Diluted | \$ (0.71) | \$ (0.40) |
| Weighted-average shares outstanding used to compute net loss per share | | |
| Basic | <u>178,880</u> | <u>170,506</u> |
| Diluted | <u>178,964</u> | <u>170,506</u> |
| Comprehensive Loss, net of tax | | |
| Net loss | \$ (125,919) | \$ (68,037) |
| Foreign currency translation adjustment | (1,810) | 4,598 |
| Comprehensive loss | <u>\$ (127,729)</u> | <u>\$ (63,439)</u> |

(1) Includes related party revenue of \$21,823 and \$631 for the three months ended March 31, 2026 and 2025, respectively.

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

| | March 31, 2026 | December 31, 2025 |
|----------------|-----------------------|--------------------------|
| Assets | | |
| Current Assets | | |

| | | | | |
|---|-----------|------------------|-----------|------------------|
| Cash and cash equivalents | \$ | 521,170 | \$ | 604,787 |
| Accounts receivable ⁽¹⁾ , net of allowances of \$2,872 and \$2,755 at March 31, 2026 and December 31, 2025, respectively | | 308,599 | | 311,170 |
| Inventory | | 51,831 | | 51,724 |
| Related party asset | | 11,910 | | 8,785 |
| Prepaid expenses and other current assets | | 42,530 | | 40,498 |
| Marketable equity securities | | 117,902 | | 150,211 |
| Total current assets | \$ | 1,053,942 | \$ | 1,167,175 |
| Property and equipment, net | | 88,593 | | 89,156 |
| Goodwill | | 470,169 | | 470,211 |
| Intangible assets, net | | 330,587 | | 349,202 |
| Capitalized software, net | | 9,505 | | 6,051 |
| Investments and other assets | | 20,530 | | 21,111 |
| Investment in joint venture | | 81,675 | | 86,557 |
| Related party asset, less current portion | | 13,090 | | 16,215 |
| Operating lease right-of-use assets | | 62,306 | | 64,496 |
| Restricted cash | | 4,694 | | 4,664 |
| Total Assets | \$ | 2,135,091 | \$ | 2,274,838 |

Liabilities, Convertible redeemable preferred stock, and Stockholders' equity

| | | | | |
|---|-----------|------------------|-----------|------------------|
| Current Liabilities | | | | |
| Accounts payable | | 41,023 | | 81,994 |
| Accrued expenses | | 160,628 | | 155,370 |
| Deferred revenue ⁽²⁾ | | 72,866 | | 92,673 |
| Deferred other income | | 15,955 | | 15,955 |
| Other current liabilities | | 10,248 | | 8,680 |
| Operating lease liabilities | | 12,639 | | 13,355 |
| Accrued data licensing fees | | 4,597 | | 4,361 |
| Total current liabilities | \$ | 317,956 | \$ | 372,388 |
| Operating lease liabilities, less current portion | | 72,723 | | 74,272 |
| Convertible promissory note | | 199,279 | | 208,672 |
| Other long-term liabilities | | 54,115 | | 56,600 |
| Revolving credit facility | | 100,000 | | 100,000 |
| Interest payable | | 15,844 | | 12,393 |
| Long-term debt, net | | 204,624 | | 202,753 |
| Convertible senior notes, net | | 729,267 | | 728,078 |
| Deferred other income, less current portion | | 3,989 | | 7,977 |
| Deferred revenue, less current portion | | 20,889 | | 20,379 |
| Total Liabilities | \$ | 1,718,686 | \$ | 1,783,512 |

(1) Includes related party accounts receivable of \$15,690 and \$6,428 as of March 31, 2026 and December 31, 2025, respectively.

(2) Includes related party deferred revenue of \$403 and \$3,938 as of March 31, 2026 and December 31, 2025, respectively.

Tempus AI, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(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 March 31, 2026 and December 31, 2025, respectively, no shares issued and outstanding at March 31, 2026 and December 31, 2025 | \$ | — | \$ | — |
|--|----|---|----|---|

Stockholders' equity

| | | | | |
|--|-----------|------------------|-----------|------------------|
| Class A Common Stock, \$0.0001 par value, 1,000,000,000 shares authorized at March 31, 2026 and December 31, 2025, respectively; 174,360,831 and 173,235,428 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively | | 17 | | 17 |
| Class B Common Stock, \$0.0001 par value, 5,500,000 shares authorized at March 31, 2026 and December 31, 2025, respectively; 5,043,789 issued and outstanding at March 31, 2026 and December 31, 2025, respectively | | 1 | | 1 |
| Treasury Stock, 183,229 shares at March 31, 2026 and December 31, 2025, respectively, at cost | | (6,642) | | (6,642) |
| Additional Paid-In Capital | | 2,945,718 | | 2,892,910 |
| Accumulated Other Comprehensive (Loss) Income | | (908) | | 902 |
| Accumulated deficit | | (2,521,781) | | (2,395,862) |
| Total Stockholders' equity | \$ | 416,405 | \$ | 491,326 |
| Total Liabilities, Convertible redeemable preferred stock, and Stockholders' equity | \$ | 2,135,091 | \$ | 2,274,838 |

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

| | Three Months Ended March 31, | |
|--|-------------------------------------|---------------------|
| | 2026 | 2025 |
| Operating activities | | |
| Net loss | \$ (125,919) | \$ (68,037) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Stock-based compensation | 52,706 | 22,974 |
| Loss on marketable equity securities | 32,309 | 31,805 |
| Loss on disposal of property and equipment | 334 | — |
| Deferred income taxes | — | (46,216) |
| Losses from equity method investments | 3,086 | 1,883 |
| Amortization of original issue discount | 1,448 | 560 |
| Amortization of deferred financing fees | 86 | 157 |
| Change in fair value of holdback liability | (1,167) | 46 |
| Depreciation and amortization | 26,175 | 20,353 |
| Provision for bad debt expense | 636 | 316 |
| Provision for obsolete inventory | 225 | — |
| Non-cash operating lease costs | 3,502 | 2,089 |
| Minimum accretion expense | 57 | 248 |
| PIK interest added to principal | 1,674 | 3,274 |
| Change in assets and liabilities | | |
| Accounts receivable ⁽¹⁾ | 1,990 | (45,175) |
| Inventory | (332) | (911) |
| Prepaid expenses and other current assets | (2,032) | (5,798) |
| Investments and other assets | 433 | (3,358) |
| Accounts payable | (50,553) | 23,572 |
| Deferred revenue ⁽²⁾ | (19,297) | (12,377) |
| Deferred other income | (3,989) | (3,988) |
| Accrued data licensing fees | (6) | (250) |
| Accrued expenses & other | 5,257 | (27,606) |
| Interest payable | 3,677 | 3,508 |
| Operating lease liabilities | (3,577) | (2,693) |
| Net cash used in operating activities | \$ (73,277) | \$ (105,624) |

(1) Includes increase in related party accounts receivable of \$9,262 for the three months ended March 31, 2026. Includes decrease in related party accounts receivable of \$3,603 for the three months ended March 31, 2025.

(2) Includes decrease in related party deferred revenue of \$3,535 for the three months ended March 31, 2026. Includes increase in related party deferred revenue of \$300 for the three months ended March 31, 2025.

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

| | Three Months Ended March 31, | |
|---|-------------------------------------|---------------------|
| | 2026 | 2025 |
| Investing activities | | |
| Purchases of property and equipment | \$ (8,202) | \$ (2,074) |
| Proceeds from sale of marketable equity securities | — | 8,316 |
| Business combinations, net of cash acquired (Note 4) | — | (380,762) |
| Capitalized software costs | (1,865) | (1,298) |
| Net cash used in investing activities | \$ (10,067) | \$ (375,818) |
| Financing activities | | |
| Payment of deferred offering costs | (45) | — |
| Proceeds from revolving credit facility, net of original issue discount | — | 98,000 |
| Proceeds from long-term debt, net of original issue discount | — | 196,000 |
| Payment of deferred financing fees | (226) | (958) |

| | | |
|--|-------------------|-------------------|
| Net cash (used in) provided by financing activities | \$ (271) | \$ 293,042 |
| Effect of foreign exchange rates on cash | \$ 28 | \$ (109) |
| Net decrease in Cash, Cash Equivalents and Restricted Cash | \$ (83,587) | \$ (188,509) |
| Cash, cash equivalents and restricted cash, beginning of period | 609,451 | 341,835 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 525,864</u> | <u>\$ 153,326</u> |
| Cash, Cash Equivalents and Restricted Cash are Comprised of: | | |
| Cash and cash equivalents | \$ 521,170 | \$ 151,603 |
| Restricted cash and cash equivalents | 4,694 | 1,723 |
| Total cash, cash equivalents and restricted cash | <u>\$ 525,864</u> | <u>\$ 153,326</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid during the year for interest | <u>\$ 9,322</u> | <u>\$ 10,849</u> |
| Cash (received from) paid for income taxes | <u>\$ (56)</u> | <u>\$ —</u> |
| Supplemental disclosure of noncash investing and financing activities | | |
| Purchases of property and equipment, accrued but not paid | <u>\$ 4,592</u> | <u>\$ 7,003</u> |
| Redemption of convertible promissory note | <u>\$ 9,393</u> | <u>\$ 7,060</u> |
| Capitalized software costs, accrued but not yet paid | <u>\$ 2,129</u> | <u>\$ —</u> |
| Deferred offering costs, accrued but not yet paid | <u>\$ 100</u> | <u>\$ —</u> |
| Class A Common Stock issued in connection with business combinations | <u>\$ —</u> | <u>\$ 310,320</u> |
| Convertible promissory note principal reset due to amendment | <u>\$ —</u> | <u>\$ 72,488</u> |

Tempus AI, Inc.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(Unaudited)
(in thousands, except percentages and per share amounts)

Diagnostics Gross Profit & Gross Margin

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------------|
| | 2026 | 2025 |
| Diagnostics revenue | \$ 261,098 | \$ 193,804 |
| Cost of revenues, diagnostics | 100,960 | 84,783 |
| Gross profit, diagnostics | <u>\$ 160,138</u> | <u>\$ 109,021</u> |
| Stock-based compensation expense | 2,122 | 1,035 |
| Employer payroll tax related to stock-based compensation | 334 | 48 |
| Non-GAAP gross profit, diagnostics | <u>\$ 162,594</u> | <u>\$ 110,104</u> |
| Diagnostics gross margin | 61.3% | 56.3% |
| Stock-based compensation expense | 0.8% | 0.5% |
| Employer payroll tax related to stock-based compensation | 0.1% | 0.0% |
| Non-GAAP gross margin, diagnostics | <u>62.3%</u> | <u>56.8%</u> |

Data and applications Gross Profit & Gross Margin

| | Three Months Ended March 31, | |
|--|-------------------------------------|------------------|
| | 2026 | 2025 |
| Data and applications revenue | \$ 87,018 | \$ 61,933 |
| Cost of revenues, data and applications | 25,115 | 15,751 |
| Gross profit, data and applications | <u>\$ 61,903</u> | <u>\$ 46,182</u> |
| Stock-based compensation expense | 1,553 | 611 |
| Employer payroll tax related to stock-based compensation | 184 | 44 |
| Non-GAAP gross profit, data and applications | <u>\$ 63,640</u> | <u>\$ 46,837</u> |
| Gross margin, data and applications | 71.1% | 74.6% |
| Stock-based compensation expense | 1.8% | 1.0% |
| Employer payroll tax related to stock-based compensation | 0.2% | 0.1% |
| Non-GAAP gross margin, data and applications | <u>73.1%</u> | <u>75.6%</u> |

Total Gross Profit & Gross Margin

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------------|
| | 2026 | 2025 |
| Net revenue | \$ 348,116 | \$ 255,737 |
| Cost of revenues | 126,075 | 100,534 |
| Gross profit | \$ 222,041 | \$ 155,203 |
| Stock-based compensation expense | 3,675 | 1,646 |
| Employer payroll tax related to stock-based compensation | 518 | 91 |
| Non-GAAP gross profit | <u>\$ 226,234</u> | <u>\$ 156,940</u> |
| Gross margin | 63.8% | 60.7% |
| Stock-based compensation expense | 1.1% | 0.6% |
| Employer payroll tax related to stock-based compensation | 0.1% | 0.0% |
| Non-GAAP gross margin | <u>65.0%</u> | <u>61.4%</u> |

Operating Expenses

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------------|
| | 2026 | 2025 |
| Technology research and development | \$ 45,921 | \$ 33,391 |
| Stock-based compensation expense | 9,506 | 3,319 |
| Employer payroll tax related to stock-based compensation | 812 | 261 |
| Non-GAAP technology research and development | <u>\$ 35,603</u> | <u>\$ 29,811</u> |
| Research and development | \$ 48,237 | \$ 35,874 |
| Stock-based compensation expense | 4,565 | 1,982 |
| Employer payroll tax related to stock-based compensation | 483 | 176 |
| Non-GAAP research and development | <u>\$ 43,189</u> | <u>\$ 33,716</u> |
| Selling, general and administrative | \$ 212,594 | \$ 154,627 |
| Stock-based compensation expense | 34,960 | 16,027 |
| Employer payroll tax related to stock-based compensation | 1,745 | 4,725 |
| Acquisition related expenses ⁽¹⁾ | (4) | 3,529 |
| Amortization of intangibles due to acquisition | 16,871 | 11,156 |
| Non-GAAP selling, general and administrative | <u>\$ 159,022</u> | <u>\$ 119,190</u> |
| Operating expenses | \$ 306,752 | \$ 223,892 |
| Stock-based compensation expense | 49,031 | 21,328 |
| Employer payroll tax related to stock-based compensation | 3,040 | 5,162 |
| Acquisition related expenses ⁽¹⁾ | (4) | 3,529 |
| Amortization of intangibles due to acquisition | 16,871 | 11,156 |
| Non-GAAP operating expenses | <u>\$ 237,814</u> | <u>\$ 182,717</u> |

(1) Acquisition related expenses consist of legal, diligence, accounting, and financing costs incurred for acquisitions during the three months ended March 31, 2026 and 2025.

Loss from Operations

| | Three Months Ended March 31, | |
|--|-------------------------------------|--------------------|
| | 2026 | 2025 |
| Loss from operations | \$ (84,711) | \$ (68,689) |
| Stock-based compensation expense | 52,706 | 22,974 |
| Employer payroll tax related to stock-based compensation | 3,558 | 5,253 |
| Acquisition related expenses ⁽¹⁾ | (4) | 3,529 |
| Amortization of intangibles due to acquisition | 16,871 | 11,156 |
| Non-GAAP loss from operations | <u>\$ (11,580)</u> | <u>\$ (25,777)</u> |

(1) Acquisition related expenses consist of legal, diligence, accounting, and financing costs incurred for acquisitions during the three months ended March 31, 2026 and 2025.

Earnings per Share

| | Three Months Ended March 31, | |
|----------|-------------------------------------|-------------|
| | 2026 | 2025 |
| Net loss | \$ (125,919) | \$ (68,037) |

| | | |
|--|----------------|----------------|
| Fair value changes ⁽¹⁾ | 31,141 | 31,850 |
| Stock-based compensation expense | 52,706 | 22,974 |
| Employer payroll tax related to stock-based compensation | 3,558 | 5,253 |
| Acquisition related expenses ⁽²⁾ | (4) | 3,529 |
| Amortization of intangibles due to acquisition | 16,871 | 11,156 |
| Losses from equity method investments | 3,086 | 1,883 |
| Benefit from income taxes | (62) | (46,180) |
| Amortization of technology license | (3,989) | (3,989) |
| Non-GAAP net loss | \$ (22,612) | \$ (41,561) |
| Non-GAAP net loss per share, basic | \$ (0.13) | \$ (0.24) |
| Weighted average common shares outstanding, basic | <u>178,880</u> | <u>170,506</u> |

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

(2) Acquisition related expenses consist of legal, diligence, accounting, and financing costs incurred for acquisitions during the three months ended March 31, 2026 and 2025.

Adjusted EBITDA

| | Three Months Ended March 31, | |
|--|------------------------------|--------------------|
| | 2026 | 2025 |
| Net loss | \$ (125,919) | \$ (68,037) |
| Interest income | (3,866) | (1,813) |
| Interest expense | 14,341 | 18,003 |
| Depreciation | 7,425 | 7,883 |
| Amortization | 18,750 | 12,470 |
| Benefit from income taxes | (62) | (46,180) |
| EBITDA | \$ (89,331) | \$ (77,674) |
| Losses from equity method investments | 3,086 | 1,883 |
| Fair value changes ⁽¹⁾ | 31,141 | 31,850 |
| Stock-based compensation expense | 52,706 | 22,974 |
| Employer payroll tax related to stock-based compensation | 3,558 | 5,253 |
| Acquisition related expenses ⁽²⁾ | (4) | 3,529 |
| Amortization of technology license | (3,989) | (3,989) |
| Adjusted EBITDA | <u>\$ (2,833)</u> | <u>\$ (16,174)</u> |

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

(2) Acquisition related expenses consist of legal, diligence, accounting, and financing costs incurred for acquisitions of during the three months ended March 31, 2026 and 2025.

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