

Stock stories: Tempus AI

Ben James, August 2024

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Ben James: It's 2014. A woman falls ill with breast cancer and she begins the uncertain journey of treatment. As time goes on, her husband is shocked at how little information from previous patients and existing diseases is being used to inform her treatment.

This is the story of Eric and Liz Lefkofsky, and it's how Tempus began. Eric Lefkofsky was a successful tech entrepreneur, who set out on a mission to improve the treatment of his wife's cancer. He collected and analysed data himself, built a tool to make sense of it, and then changed Liz's treatment halfway through her chemo. And it worked.

Lefkofsky turned this tool into Tempus in 2015 and the data-driven decisions it pioneered have now become the standard of care.

Tempus is revolutionising healthcare through big data and AI to personalise diagnostics at a scale that was unimaginable just a few years ago. The company's platform has one of the largest libraries of clinical and molecular data globally which gives Tempus a competitive edge. This data then helps Tempus to build roadmaps for innovating medical treatments.

So, a doctor treating a cancer patient today can send a tumour sample to Tempus, which will use its technology to identify the gene's specific mutation. The doctor can then use this information to prescribe more targeted therapy.

As well as making money through offering state-of-the-art genetic testing, Tempus also monetises its data by offering a faster, cheaper and better way for biotech companies to access anonymised information to improve drug discovery. Some of the world's biggest pharmaceutical companies are taking notice, making Tempus a key part of how they design clinical trials after analysis was shown to significantly improve the probability of success.

We already knew Lefkofsky as a co-founder of one of our other private company holdings. Scottish Mortgage was one of a few large investors invited to join a funding round in 2018. Since then, the platform has expanded beyond just oncology into areas such as cardiology and infectious diseases.

With nearly \$5tn spent on healthcare in the US in 2023, the opportunity for Tempus to change the way we treat and cure diseases is massive. And it's this potential that earns

Tempus its place in the Scottish Mortgage portfolio.

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