

MATERIAL CHANGE NOTICE SUBMISSION DETAILS

MCN Number	2024-11-20-1262
OHCA Review Start Date	12/20/2024
Anticipated date (unless tolled per regulation) by which OHCA could waive cost and market impact review	2/3/2025
Anticipated date (unless tolled per regulation) by which OHCA could determine cost and market impact review required	2/18/2025

SUBMITTER

HEALTH CARE ENTITY CONTACT FOR PUBLIC INQUIRY

Title	Mr.
First Name	Michael
Last Name	Martinson
Email Address	mmartinson@ambrygen.com

GENERAL

Business Name	Ambry Genetics Corporation
Website	https://www.ambrygen.com/
Ownership Type	Corporation
Tax Status	For-profit
Federal Tax ID	33-0892453
Description of Submitting Organization	<p>Ambry is a health care entity that conducts genetic testing and delivers solutions leading to a better understanding of the human genome and factors that may lead to greater risk of genetic disease. Ambry collaborates with academic, corporate and pharmaceutical research partners to better understand genetics and help guide patient health decisions. Ambry is primarily focused on providing analytics related to hereditary cancer.</p> <p>Ambry is a wholly owned subsidiary of Realm IDx, Inc., which in turn is a subsidiary of Konica Minolta Holdings U.S.A., Inc., a New Jersey corporation ("HUS"). Ambry owns 100% of the following subsidiaries: GSLD Holdings, LLC, a California limited liability company, GenomeSmart, Inc., a Delaware corporation, and Progeny Genetics LLC, a Delaware corporation. Ambry is led by its executive team and includes a robust organizational structure including, but not limited to, departments focusing on legal</p>

	and compliance, research and development, medical sciences, operations, sales, marketing, financial, and informatics.
Health Care Provider	Yes
For Providers: Desc. of Capacity or Patients served in California	Ambry's state-of-the-art laboratory includes a Proprietary Lab Information System, over twenty next-generation sequencing instruments, approximately 60 Tecan Automation Systems and a proprietary sample tracking process. Ambry advances innovative clinical research and research collaborations and transforms such research into clinically actionable test results. As part of these capabilities, Ambry serves patients throughout the nation and has obtained required authorization to perform clinical testing consistent with applicable state law, including licensing as a clinical laboratory in California, Maryland, Pennsylvania, Rhode Island and New York.

LOCATIONS

Counties	All Counties
California licenses and numbers	Certificate of Accreditation from the College of American Pathologists (CAP#: 7154701) Certificate of Accreditation from the Centers for Medicare & Medicaid Services Clinical Laboratory Improvement Amendments (CLIA ID#: 05D0931414) State of California Clinical and Public Health Laboratory License (State ID: CDF-00011694)
Other States Served	AK; AL; AR; AZ; CO; CT; DC; DE; FL; GA; HI; IA; ID; IL; IN; KS; KY; LA; MA; MD; ME; MI; MN; MO; MS; MT; NC; ND; NE; NH; NJ; NM; NV; NY; OH; OK; OR; PA; RI; SC; SD; TN; TX; UT; VA; VT; WA; WI; WV; WY
Other state(s) licenses and numbers	Maryland Department of Health Office of Health Care Quality Medical Laboratory Permit (# 1052; Control #: 70754) New York State Department of Health Clinical Laboratory Permit (CLIA#: 05D0981414) Pennsylvania Department of Health Clinical Laboratory Permit (Laboratory ID

	#: 27832A) State of Rhode Island Department of Health Center for Health Facilities Regulation, Out of State Clinical Laboratory (License #: LCO00680)
Primary Languages used when providing services	English

MATERIAL CHANGE

ADDITIONAL ENTITIES

Business Name	Description of the Organization	Ownership Type	Additional MCN Submission
Tempus AI, Inc.		Corporation	Yes
GenomeSmart, Inc.	GenomeSmart, Inc. is a direct wholly owned subsidiary of Ambry that is incorporated in Delaware. GenomeSmart, Inc. is a dormant entity that has no ongoing business activities, contracts, or employees.	Corporation	No
Konica Minolta, Inc.	KMI is a Japanese multinational corporation offering a wide array of products and services across several industries including technology, healthcare and imaging. KMI is the parent company of HUS which in turn is the parent company of Seller. KMI is a party to the Purchase Agreement solely with respect to the guarantee of performance of Seller's payment obligations under the Purchase Agreement.	Corporation	No
GSLD Holdings, LLC	GSLD Holdings LLC is a direct wholly owned subsidiary of Ambry that is organized in California. GSLD Holdings, LLC is a real estate holding entity that owns a property leased to Ambry.	Limited Liability Company	No
Progeny Genetics LLC	Progeny Genetics LLC is a direct wholly owned subsidiary of Ambry that is organized in Delaware. Progeny Genetics LLC provides risk modeling and pedigree software.	Limited Liability Company	No
Realm IDx, Inc.	Realm IDx (Seller) is the sole stockholder and parent of Ambry. In addition to Ambry, Seller owns KONICA MINOLTA REALM,	Corporation	No

	<p>INC., a Japanese corporation. Seller completed the sale of another wholly owned subsidiary Invicro, LLC, on April 30, 2024. As a subsidiary of HUS, Seller manages KMI's U.S. healthcare subsidiaries. Upon completion of the Proposed Transaction, Seller will no longer hold any direct ownership interest in Ambry.</p>		
--	---	--	--

CRITERIA

<p>A health care entity with annual revenue, as defined in section 97435(d), of at least \$25 million or that owns or controls California assets of at least \$25 million, or;</p>	<p>Yes</p>
<p>A health care entity with annual revenue, as defined in section 97435(d), of at least \$10 million or that owns or controls California assets of at least \$10 million and is a party to a transaction with any health care entity satisfying subsection (b)(1), or</p>	<p>Yes</p>

CIRCUMSTANCES FOR FILING

<p>The proposed fair market value of the transaction is \$25 million or more and the transaction concerns the provision of health care services.</p>	<p>Yes</p>
<p>The transaction is more likely than not to increase annual California-derived revenue of any health care entity that is a party to the transaction by either \$10 million or more or 20% or more of annual California-derived revenue at normal or stabilized levels of utilization or operation.</p>	<p>Yes</p>
<p>The transaction involves the sale, transfer, lease, exchange, option, encumbrance, or other disposition of 25% or more of the total California assets of the submitter(s).</p>	<p>Yes</p>
<p>The transaction involves a transfer or change in control, responsibility or governance of the Submitter. A transaction will directly or indirectly transfer control, responsibility, or governance in whole or in part of a material amount of the assets or operations of a health care entity to one or more entities if:</p> <p>(1) The transaction would result in the transfer of 25% or more of the voting power of the members of the governing body of a health care entity, such as by adding one or more members, substituting one or more members, or through any other type of arrangement, written or oral; or</p> <p>(2) The transaction would vest voting rights significant enough to constitute a change in control such as supermajority rights, veto rights, and similar provisions even if ownership shares or representation on a governing body are less than 25%;</p>	<p>Yes</p>
<p>The transaction involves the formation of a new health care entity, affiliation, partnership, joint venture, or parent corporation for the</p>	<p>Yes</p>

provision of health care services in California that is projected to have at least \$25 million in California-derived annual revenue at normal or stabilized levels of utilization or operation, or transfer of control of California assets related to the provision of health care services valued at \$25 million or more	
--	--

TRANSACTION DETAILS

Anticipated Date of Transaction Closure	1/3/2025
Description of Transaction	<p>Tempus AI, Inc. ("Tempus" or "Buyer") has previously partnered with Ambry Genetics Corporation ("Ambry") to distribute germline sequencing for inherited cancer risk, and Tempus believes its acquisition of Ambry is an opportunity to further expand and enhance inherited risk screening for cancer patients. As a results of the proposed transaction ("Proposed Transaction"), Ambry will undergo a complete change of control when one hundred percent (100%) of its shares are acquired by Tempus. Following the consummation of the Proposed Transaction, Ambry will become a wholly owned subsidiary of Tempus. This summary of the terms of the proposed transaction is qualified in its entirety by the terms and conditions of the definitive purchase agreement between the parties (the "Purchase Agreement"). In exchange for the sale of Ambry, Realm IDx, Inc. (i.e. Ambry's parent company, the "Seller") will receive a combination of Buyer Class A Common Stock, with an approximate value of \$225 million, and cash, with a base value of \$375 million subject to certain adjustments. The precise definitions of these payment terms are set forth in the Purchase Agreement. The payment terms set forth in the Purchase Agreement will not have any impact on Ambry's or Tempus' ability to provide their services to the public. The transaction contemplated by the Purchase Agreement will close two business days following the satisfaction of conditions specified in the Purchase Agreement. The parties currently anticipate a closing date of January 3, 2025. There is no expected adverse impact on public health as a results of the Proposed Transaction, and the parties, indeed, expect the transaction to expand and enhance</p>

	access to healthcare services from both Ambry and Tempus. There is no horizontal overlap between Ambry and the Buyer, and the Proposed Transaction will not result in any lessening of competition. There is no expected adverse impact to the public as a result of the Proposed Transaction.
Submitted to US Department of Justice or Federal Trade Commission?	Yes
Date of Submission	11/18/2024
Description of current services provided and expected post-transaction impacts on health care services	There is no expected adverse impact on services offered by Ambry as a result of the Proposed Transaction. Following the closing of the Proposed Transaction, Ambry will maintain its laboratories and will retain all necessary licenses in California and across the United States. Not only will the Proposed Transaction have no adverse impact on Ambry's contributions in the public health arena, but the parties expect a relationship with Buyer will make Ambry's services more accessible and help fulfill its mission of providing better outcomes and resources to patients. The Proposed Transaction is not expected to have any impact on Ambry's ability to adhere to applicable law nor increase costs associated with Ambry's services.
Prior mergers or acquisitions that: (A) involved the same or related health care services; (B) involved at least one of the entities, or their parents, subsidiaries, predecessors, or successors, in the proposed transaction; and (C) were closed in the last ten years.	On 1/15/2015, Ambry California merged into Ambry with Ambry being the surviving corporation. On 3/25/15, Ambry formed Progeny Genetics LLC. On 4/1/15, Progeny Genetics LLC acquired the assets of Progeny Software, LLC. On 10/18/17, Ambry and Konica Minolta Geno., Inc. merged, with Ambry being the surviving corporation and with Ambry becoming wholly owned by Konica Minolta PM., Inc. In September 2018, INCJ, Ltd. was established after splitting from Innovation Network Corporation of Japan and replaced Innovation Network Corporation of Japan as the 40% owner of Konica Minolta, PM., Inc. On 2/5/2020, Ambry acquired GenomeSmart, Inc, which is currently a dormant entity. On 9/7/21, Konica Minolta PM., Inc., then owner of Ambry, was merged into seller (formerly known as Konica Minolta Precisions Medicine, Inc.). As a result of this merger,

	<p>seller became Ambry's direct 100% parent. On 9/29/21, Amazon.com NV Investment Holdings LLC acquired a minority stake in seller.</p> <p>On 1/10/24, INCJ, Ltd. sold and transferred all of its shares in seller to HUS.</p>
<p>Description of Potential Post Transaction Changes</p>	<p>Following the closing of the Proposed Transaction, Tempus representatives will replace the representatives of Ambry's current owners on the Ambry Board of Directors. The parties otherwise do not anticipate material post-closing changes to Ambry's governance, operational structure, staffing or federal, state, or local government contracts as a result of the Proposed Transaction, as the parties expect to continue to provide and grow Ambry's pre-closing services.</p>
<p>Description of the nature, scope, and dates of any pending or planned material changes occurring between the Submitter and any other entity, within the 12 months following the date of the notice</p>	<p>There are no other material changes currently planned.</p>