

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Section 13a-16 OR 15d-16
of the Securities Exchange Act of 1934

for the Month of August 2022

Commission File Number: 001-40850

Exscientia plc

(Translation of registrant's name into English)

The Schrödinger Building
Oxford Science Park
Oxford OX4 4GE
United Kingdom

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

☒ Form 20-F ☐ Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

OTHER EVENTS

On August 17, 2022, Exscientia plc (the “Company”) issued a press release announcing its second quarter and first half 2022 financial results. The Company’s unaudited condensed consolidated financial statements as of June 30, 2022 are attached as Exhibit 99.1 and are incorporated by reference herein. The Company’s Management’s Discussion and Analysis of Financial Condition and Results of Operations is attached as Exhibit 99.2 and is incorporated by reference herein.

The press release is attached as Exhibit 99.3 and is incorporated by reference herein.

The information in the attached Exhibits 99.1 and 99.2 shall be deemed to be incorporated by reference into the Company’s registration statement on Form S-8 (File Number 333-260315) and the related prospectus, as such registration statement and prospectus may be amended from time to time, and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

The information in the attached Exhibit 99.3 is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise set forth herein or as shall be expressly set forth by specific reference in such a filing.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Unaudited Condensed Consolidated Financial Statements as of June 30, 2022 and 2021 and for the Three and Six Months ended June 30, 2022 and 2021</u>
<u>99.2</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Six Months ended June 30, 2022 and 2021</u>
<u>99.3</u>	<u>Press Release, dated August 17, 2022 <i>Exscientia Business Update for Second Quarter 2022</i></u>

SIGNATURE

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 on this 17th day of August, 2022.

EXSCIENTIA PLC

By: /s/ Andrew Hopkins

Name: Andrew Hopkins

Title: Chief Executive Officer

Exscientia plc

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the three and six months June 30, 2022 and 2021

		Three months ended June 30,		Six months ended June 30,	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Revenue	4	7,137	292	14,112	5,575
Cost of Sales		(8,949)	(3,593)	(14,573)	(7,480)
Gross loss		(1,812)	(3,301)	(461)	(1,905)
Research and development expenses		(33,067)	(8,168)	(56,459)	(12,379)
General administrative expenses		(12,060)	(7,518)	(19,879)	(10,803)
Foreign exchange gains/(losses)		22,797	(2,773)	32,471	(2,899)
Loss on forward contracts	13	(11,287)	—	(11,287)	—
Other income	5	1,517	809	2,950	1,252
Operating loss	6	(33,912)	(20,951)	(52,665)	(26,734)
Finance income		440	3	512	5
Finance expenses		(73)	(29)	(127)	(59)
Share of loss of joint venture	11	(271)	(368)	(564)	(743)
Gain on derivative financial instrument	13	—	1,362	—	1,362
Loss before taxation		(33,816)	(19,983)	(52,844)	(26,169)
Income tax benefit	7	5,140	1,387	8,676	2,104
Loss for the period		(28,676)	(18,596)	(44,168)	(24,065)
Other comprehensive income:					
<i>Items that may be reclassified to profit or loss</i>					
Foreign currency gain on translation of foreign operations		500	19	1,025	6
<i>Items that will not be reclassified to profit or loss</i>					
Change in fair value of equity investments at fair value through OCI		—	300	—	300
Total other comprehensive income for the period, net of tax		500	319	1,025	306
Total comprehensive loss for the period		(28,176)	(18,277)	(43,143)	(23,759)
Basic and diluted loss per share (£)	8	(0.24)	(0.71)	(0.36)	(0.84)

The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Exscientia plc

Unaudited Condensed Consolidated Statement of Financial Position as at June 30, 2022 and December 31, 2021

	Note	June 30, 2022 £'000	December 31, 2021 £'000
ASSETS			
Non-current assets			
Goodwill	9	6,146	5,985
Other Intangible assets, net	9	35,011	36,330
Property, plant and equipment, net	10	18,232	8,740
Investment in joint venture	11	—	424
Right-of-use assets, net	12	6,844	5,154
Other receivables		100	100
Investments in equity instruments	13	2,145	2,145
Total non-current assets		68,478	58,878
Current assets			
Trade receivables		374	1,189
Other receivables and contract assets		8,751	6,313
Current tax assets		18,416	11,754
Inventories		159	359
Short term bank deposits	13	100,059	—
Cash and cash equivalents		501,832	562,173
Total current assets		629,591	581,788
Total assets		698,069	640,666
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	61	60
Share premium		364,597	364,579
Deferred shares	14	—	3
Capital redemption reserve	14	3	—
Foreign exchange reserve		366	(659)
Share-based payment reserve		25,225	12,930
Fair value reserve		(199)	(199)
Merger reserve		54,213	54,213
Retained earnings		90,818	135,886
Total equity attributable to owners of the parent		535,084	566,813

Exscientia plc

Unaudited Condensed Consolidated Statement of Financial Position as at June 30, 2022 and December 31, 2021 (continued)

		June 30, 2022	December 31, 2021
	Note	£'000	£'000
LIABILITIES			
Non-current liabilities			
Loans		304	296
Lease liabilities	12	4,912	3,804
Deferred tax liability, net		6,330	7,121
Contract liabilities and other advances	15	81,362	16,359
Provisions	16	740	537
Total non-current liabilities		93,648	28,117
Current liabilities			
Trade payables		16,811	6,290
Lease liabilities	12	1,454	1,075
Contract Liabilities and other advances	15	34,085	29,962
Other payables	17	16,987	8,409
Total current liabilities		69,337	45,736
Total liabilities		162,985	73,853
Total equity and liabilities		698,069	640,666

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Exscentia plc

Unaudited Condensed Consolidated Statement of Changes in Equity for the three months ended June 30, 2022 and 2021

	Share capital	Share premium	Deferred Shares	Capital Redemption Reserve	Foreign exchange reserve	Share-based payment reserve	Fair value reserve	Merger Reserve	Retained earnings/(accumulated losses)	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at March 31, 2021	—	110,203	—	—	(124)	4,033	—	—	(39,523)	74,589
Loss for the period	—	—	—	—	—	—	—	—	(18,596)	(18,596)
Foreign exchange gain on translation of subsidiaries	—	—	—	—	19	—	—	—	—	19
Change in fair value of equity instruments at fair value through OCI	—	—	—	—	—	—	300	—	—	300
Total comprehensive loss for the period	—	—	—	—	19	—	300	—	(18,596)	(18,277)
Share-based payment charge	—	—	—	—	—	2,705	—	—	—	2,705
Issue of share capital	—	162,020	—	—	—	—	—	—	—	162,020
Exercise of share-based payment awards	—	—	—	—	—	(408)	—	—	408	—
As at June 30, 2021	—	272,223	—	—	(105)	6,330	300	—	(57,711)	221,037
As at March 31, 2022	61	364,579	3	—	(134)	15,821	(199)	54,213	118,772	553,116
Loss for the period	—	—	—	—	—	—	—	—	(28,676)	(28,676)
Foreign exchange gain on translation of subsidiaries	—	—	—	—	500	—	—	—	—	500
Total comprehensive loss for the period	—	—	—	—	500	—	—	—	(28,676)	(28,176)
Share-based payment charge	—	—	—	—	—	10,126	—	—	—	10,126
Exercise of share-based payment awards	—	18	—	—	—	(722)	—	—	722	18
Cancellation of deferred shares	—	—	(3)	3	—	—	—	—	—	—
As at June 30, 2022	61	364,597	—	3	366	25,225	(199)	54,213	90,818	535,084

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Exscentia plc

Unaudited Condensed Consolidated Statement of Changes in Equity for the six months ended June 30, 2022 and 2021

	Share capital	Share premium	Deferred Shares	Capital Redemption Reserve	Foreign exchange reserve	Share- based payment reserve	Fair value reserve	Merger Reserve	Retained earnings/ (accumulated losses)	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at January 1, 2021	—	89,099	—	—	(111)	3,589	—	—	(34,054)	58,523
Loss for the period	—	—	—	—	—	—	—	—	(24,065)	(24,065)
Foreign exchange gain on translation of subsidiaries	—	—	—	—	6	—	—	—	—	6
Change in fair value of equity instruments through OCI	—	—	—	—	—	—	300	—	—	300
Total comprehensive loss for the period	—	—	—	—	6	—	300	—	(24,065)	(23,759)
Share-based payment charge	—	—	—	—	—	3,149	—	—	—	3,149
Issue of share capital, net of transaction costs	—	183,124	—	—	—	—	—	—	—	183,124
Exercise of share options	—	—	—	—	—	(408)	—	—	408	—
As at June 30, 2021	—	272,223	—	—	(105)	6,330	300	—	(57,711)	221,037
As at January 1, 2022	60	364,579	3	—	(659)	12,930	(199)	54,213	135,886	566,813
Loss for the period	—	—	—	—	—	—	—	—	(44,168)	(44,168)
Foreign exchange gain on translation of subsidiaries	—	—	—	—	1,025	(8)	—	—	—	1,017
Total comprehensive loss for the period	—	—	—	—	1,025	(8)	—	—	(44,168)	(43,151)
Share-based payment charge	—	—	—	—	—	13,686	—	—	—	13,686
Exercise of share options	1	18	—	—	—	(1,383)	—	—	(900)	(2,264)
Cancellation of deferred shares	—	—	(3)	3	—	—	—	—	—	—
As at June 30, 2022	61	364,597	—	3	366	25,225	(199)	54,213	90,818	535,084

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Exscientia plc

Unaudited Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2022 and 2021

	Note	June 30, 2022 £'000	June 30, 2021 £'000
Cash flows from operating activities			
Loss before tax		(52,844)	(26,169)
Adjustments to reconcile loss before tax to net cash flows from operating activities:			
Depreciation of right-of-use assets	12	706	312
Depreciation of property, plant and equipment	10	1,275	570
Amortisation of intangible assets	9	2,282	13
Revenue settled with non-cash consideration		—	(3,349)
Loss recognised from joint venture	11	564	743
Finance income		(512)	(5)
Finance expenses		127	59
R&D tax credits	5	(2,079)	(711)
Share-based payment charge	19	13,686	3,149
Gain recognised on derivative financial instruments	13	—	(1,362)
Foreign exchange (gain)/loss		(36)	1
Changes in working capital:			
Decrease in trade receivables		815	220
Increase in other receivables and contract assets		(2,496)	(581)
Increase in contract liabilities and other advances		69,126	25,796
Increase in trade payables		9,400	1,112
Increase in other payables		8,202	3,920
Decrease in inventories		200	—
Interest received		454	5
Interest paid		(9)	(1)
Income taxes received		3,172	—
Net cash flows from operating activities		52,033	3,722
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,278)	(2,055)
Purchase of intangible assets	9	(42)	(13)
Additional investment in joint venture	11	(119)	(1,424)
Cash invested in short term bank deposits	13	(100,000)	—
Net cash flows used in investing activities		(109,439)	(3,492)

Exscientia plc

Unaudited Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2022 and 2021 (continued)

	Note	June 30, 2022 £'000	June 30, 2021 £'000
Cash flows from financing activities			
Proceeds from issue of share capital, net of transactions costs		19	183,124
Cash paid on net settlement of share based payments	19	(2,283)	—
Payments of obligations under lease liabilities		(778)	(338)
Net cash flows from financing activities		(3,042)	182,786
Net (decrease)/increase in cash and cash equivalents		(60,448)	183,016
Exchange gain/(loss) on cash and cash equivalents		107	(7)
Cash and cash equivalents at the beginning of the year		562,173	62,584
Cash and cash equivalents at the end of the period		501,832	245,593
Supplemental disclosure of operating inflow information			
Cash flow from collaborations		91,389	28,271
Amounts invoiced during the period		(86,749)	(28,445)
Foreign exchange (gains)/losses on trade receivables		(3,825)	394
<i>Decrease in trade receivables</i>		815	220
Supplemental Non-Cash Investing Information			
Change in capital expenditures recorded within trade payables		1,121	(581)
Change in capital expenditures recorded within other payables		332	242

The above unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

1. General information

These unaudited condensed consolidated financial statements reflect the financial performance and position of Exscientia plc (the ‘Company’) and its subsidiaries (collectively the ‘Group’ or ‘Exscientia’) for the three and six months ended June 30, 2022 and 2021.

Exscientia plc is a public company incorporated in England and Wales and has the following wholly owned subsidiaries: Exscientia (UK) Holdings Limited, Exscientia AI Limited, Exscientia Inc., Exscientia Ventures I, Inc., Exscientia Ventures II, Inc., Exscientia KK, Kinetic Discovery Limited and Exscientia GmbH as well as two 50% owned joint ventures: RE Ventures I, LLC (“RE Ventures”) and RE Ventures II, LLC.

The principal activity of the Group is that of the application of artificial intelligence (“AI”) and machine learning (“ML”) to the discovery and design of novel therapeutic compounds. Exscientia’s technology platform combines the best of human and computational capabilities to accelerate the process of designing novel, safe and efficacious compounds for clinical testing in humans.

2. Accounting policies

a) Basis of preparation

These unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”) as issued by the International Accounting Standards Board. The accounting policies and methods of computation applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those applied in the Group’s annual financial statements for the year ended December 31, 2021 except for the estimation of income tax (see note 7).

The financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2021.

The financial statements have been prepared on the historical cost basis, with the exception of certain financial instruments which are measured at fair value.

The financial statements and footnotes have been presented in Pounds Sterling (“Sterling”). This is the functional currency of the Company, being the currency of the primary economic environment in which the Company operates, and the presentational currency of the Group. All values are rounded to the nearest thousand pound (“£’000”) except where otherwise indicated.

These unaudited condensed consolidated financial statements were prepared at the request of the Group’s Board of Directors (the “Board”) to meet regulatory and contractual commitments and were approved by the Board on August 9, 2022 and signed on its behalf by Andrew Hopkins, Chief Executive Officer of the Group.

b) Basis of consolidation

These unaudited condensed consolidated Group financial statements consolidate the financial statements of Exscientia plc and all its subsidiary undertakings made up to June 30, 2022.

c) Going concern

As at June 30, 2022, the Group’s cash, cash equivalents and short-term bank deposits amounted to £601,891,000, with total unrestricted cash amounting to £600,204,000. The Group has incurred significant research and development expenses from the start of the Group’s activities, however primarily as a result of cash inflows from collaborations during both periods net cash inflows to operating activities amounted to £52,033,000 for the six months ended June 30, 2022 and £3,722,000 for the six months ended June 30, 2021. Taking into account the Group’s cash, cash equivalents and short-term bank deposits as at June 30, 2022, the Board believes that the Group has sufficient financial resources to cover its planned cash outflows for the foreseeable future, being a period of at least twelve months from the date of issuance of these financial statements.

As the Group has concluded that there is no substantial doubt about its ability to continue as a going concern within one year of the issuance of these financial statements, the Group has prepared these financial statements under the going concern assumption.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

2. Accounting policies (continued)

d) Application of new and revised International Financial Reporting Standards (IFRSs)

There have been no new or revised accounting standards that have had an impact on the unaudited condensed consolidated financial statements relative to those applied within the consolidated financial statements of the Group for the year ended December 31, 2021. Any new accounting standards implemented were assessed and determined to be either not applicable or did not have a material impact on the interim financial statements or processes.

e) Significant accounting policies

The significant accounting policies are disclosed in the consolidated financial statements of the Group for the year ended December 31, 2021. There have been no changes to existing accounting policies for the three and six months ended June 30, 2022 with the exception of share-based payments which has been amended as a result of the issue of performance options and performance share units ("PSUs") to certain employees during the period which contain performance-based vesting conditions, and derivative financial instruments as a result of certain forward contract transactions executed during the period.

Share based payments

The Group operates equity-settled share-based compensation plans whereby certain employees of the Group are granted equity awards in the Company in the form of share options, restricted share units ("RSUs"), performance options and performance share units.

The fair value of awards granted is recognised as an expense in the statement of comprehensive income with a corresponding increase in equity. The fair value of the award is measured at the grant date and is spread over the period during which the respective employee becomes unconditionally entitled to the award. The fair value of share options and those performance option and PSU awards not containing market-based performance conditions are valued using a Black-Scholes model, whilst performance options and PSUs containing market-based conditions are valued using a Monte-Carlo model. The fair value of RSUs is based on the market value of the underlying shares at the award grant date.

At each statement of financial position date, the Group revises its estimate of the number of awards that are expected to become exercisable based on forfeiture rates, and with the exception of changes in the estimated probability of achieving market-based performance conditions, adjustments are made such that at the end of the vesting period the cumulative charge is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period. There were no modifications to the terms and conditions of options during the current or previous financial period.

When a share based payment award is exercised an intra-equity movement is recorded to transfer the cumulative charge recorded within the share-based payment reserve for those awards to retained earnings.

Derivative financial instruments- forward contracts

Derivative financial instruments relating to currency forward contracts are initially recognised at fair value on the date at which the derivative contract is executed, and are subsequently re-measured at fair value each period-end. Any gains and losses arising from changes in the fair value of derivatives are recognised within the consolidated statement of profit and loss.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

3. Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions. These judgments, estimates and assumptions affect the reported assets and liabilities as well as income and expenses in the financial period.

The estimates are based on information available when the consolidated financial statements are prepared, historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The significant estimates and judgements made by management in applying the Group's accounting policies are the same as those applied in the consolidated financial statements for the year ended December 31, 2021.

Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the Group's control. Hence, estimates may vary from the actual values.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or the period of revision and future periods if this revision affects both current and future periods.

4. Revenue

Revenue recognized during the three and six months ended June 30, 2022 and 2021 relates to collaboration agreements with Bristol Myers Squibb Company ("BMS"), Celgene Switzerland LLC ("Celgene") (a company acquired by BMS subsequent to the inception of the collaboration), Bayer AG ("Bayer"), GT Apeiron ("GTA"), Sanofi S.A. ("Sanofi") and the Group's joint venture with RallyBio IPB, LLC ("RallyBio"), RE Ventures. The proportion of revenue by customer in each period is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2022 %	2021 %	2022 %	2021 %
BMS (including Celgene)	73	(62)	86	23
GTA	—	45	—	64
Bayer	16	71	8	7
Sanofi	6	—	4	—
Others	5	46	2	6
	100	100	100	100

	Three months ended June 30,		Six months ended June 30,	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Service fees	336	133	336	333
Licensing fees - opt-in payments and milestones achieved	—	—	—	3,349
Licensing fees - upfront payments and research funding (including term extension payments)	6,801	159	13,776	1,893
Total Revenue	7,137	292	14,112	5,575

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

4. Revenue (continued)

Revenue is recognized upon the satisfaction of performance obligations, which occurs when control of the service transfers to the customer. All revenues during the three and six months ended June 30, 2022 and 2021 relate to obligations discharged over time, and input methods are utilised in order to estimate the extent to which the performance obligations have been satisfied at the end of the reporting period based upon costs incurred, which can be internal or third party in nature.

On March 11, 2022, BMS extended its first collaboration arrangement with the Group by six months in order to generate additional data including the use of translational capabilities for key targets under the collaboration using the Group's precision medicine platform, in relation to which the Group received a cash payment of \$5,000,000. The term extension payment has been treated as an addition to the transaction price relating to the collaboration's partially unsatisfied performance obligations relating to the design and development of candidates for collaboration targets, with a cumulative recognition of revenue at that date based upon the progress towards satisfaction of the related performance obligations in accordance with paragraph 21b of IFRS 15. The remaining element of the transaction price will be recognised as revenue as the performance obligations are satisfied.

On May 30, 2022, the Group terminated its pre-existing collaboration arrangement with Bayer AG. Upon termination all remaining performance obligations pertaining to the contract were deemed to be fully discharged, resulting in the recognition of revenues totalling £1,153,000 at that point.

During the six months ended June 30, 2021, £3,349,000 was recognised as revenue in relation to a candidate selection milestone achieved in respect of the Group's collaboration with GTA.

No changes to estimated total projected external costs were noted during the six months ended June 30, 2022 that had a significant impact on revenues recognised during the period. During the three and six month period to June 30, 2021, the Group reassessed its estimate of total projected external costs to be incurred over the course of its collaboration with Celgene. As a result of changes in the competitive landscape during the period and additional estimated costs relating to the design and profiling of additional candidate compounds to further support the Group's patent applications, the Group's expectations of total project external costs at June 30, 2021 was 34% higher than at December 31, 2020.

The Group has assessed its significant collaboration arrangements with commercial partners and determined that no provision for future operating losses is required as at June 30, 2022 taking into account expected future cash inflows and remaining contract liabilities amounts for each collaboration relative to the remaining unavoidable costs of meeting the contracts' obligations in each instance.

5. Other Income

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Grant income	436	340	871	541
R&D expenditure credits	1,081	469	2,079	711
	1,517	809	2,950	1,252

As at June 30, 2022 the Group operated three grants, consisting of a European governmental grant, a grant from the Gates Foundation and a grant from the Austrian Research Promotion Agency ("FFG"). The first two grants provide reimbursement for certain personnel, consumables and overhead costs incurred in the performance of research and development activities, while the FFG grant relates to the early stage testing of a drug's action in solid tumour patient samples with high content microscopy and deep-learning.

The maximum amounts receivable under the grants are £1,191,000, £3,098,000 and £2,086,000, respectively, with total amounts received of £248,000, £2,932,000 and £1,252,000 as at June 30, 2022, respectively (December 31, 2021: £248,000, £2,285,000 and £1,252,000, respectively).

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

6. Operating Loss

Operating loss for the three and six months ended June 30, 2022 and 2021 has been arrived at after charging/(crediting):

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Depreciation of property, plant and equipment	681	338	1,275	570
Depreciation of right-of-use assets	382	156	706	312
Amortisation of intangible assets	1,150	6	2,282	13
Research and development expenses	33,067	8,168	56,459	12,379
Foreign exchange (gain)/loss	(22,797)	2,773	(32,471)	2,899
Loss on forward contracts	11,287	—	11,287	—
Share-based payment charge	10,126	2,705	13,686	3,149

7. Taxation

The Group's income tax credit is recognised at an amount determined by multiplying the loss before taxation for the interim reporting period by the Group's best estimate of the weighted average annual income taxation rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from the Group's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the three and six months ended June 30, 2022 was 15.20% and 16.42% (2021: 6.94% and 8.04%). The increase in the effective tax rate is attributable to increased research and development tax credits due to an underlying increase in qualifying research and development expenditure.

8. Earnings per share

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	£	£	£	£
Basic and Diluted loss for the period	(28,676,000)	(18,596,000)	(44,168,000)	(24,065,000)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	Number	Number	Number	Number
Weighted average number of ordinary shares	121,899,774	26,201,070	121,432,193	28,566,885

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	£	£	£	£
Basic and diluted earnings per share (pence per share)	(0.24)	(0.71)	(0.36)	(0.84)

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

8. Earnings per share (continued)

Basic earnings per share ("Earnings per Share") are calculated in accordance with IAS 33 based on earnings attributable to the Company's shareholders and the weighted average number of shares outstanding during the period. The ordinary shares outstanding used for computation of earnings per share in all periods reflect a share split executed on October 5, 2021 consistent with the principles in IAS 33 paragraph 64, as described in note 21 of the consolidated financial statements of the Group for the year ended December 31, 2021.

The Company issues performance options, share options, RSUs and PSUs to employees, upon the exercise of which ordinary shares are issued. Inclusion of these awards would have an anti-dilutive effect due to the loss incurred during the period, therefore basic and diluted loss per share are the same.

9. Goodwill and other intangible assets

During the six months ended June 30, 2022 the Group acquired assets at a cost of £42,000 relating to computer software. There were no disposals in the period. The amortisation charge for the period of £2,282,000 consisted of £8,000 relating to computer equipment and £2,274,000 relating to acquired intellectual property. The residual movement in the net book value of goodwill and intangible assets relates to the foreign currency translation of assets relating to the Group's Austrian business. No impairment charge was recognised in the period.

10. Property, plant and equipment

During the six months ended June 30, 2022, the Group acquired assets at a cost of £10,731,000, of which £6,791,000 related to assets under construction, primarily relating to leasehold improvements at the Group's premises in Dundee, Milton Park, Oxfordshire and Vienna, Austria, £239,000 were additions to leasehold improvements, £450,000 were additions to computer equipment, £394,000 were additions to office furniture and equipment and £2,857,000 were additions to plant and equipment, primarily laboratory equipment. The depreciation charge for the period was £1,275,000.

During the six months ended June 30, 2022, £1,180,000 was transferred from assets under construction to leasehold improvements which constituted costs relating to the fit-out of premises leased by the Group.

No disposals of property plant and equipment were made during the six months ended June 30, 2022.

11. Investments in joint ventures and joint operations

During the six months ended June 30, 2022, the Group made £119,000 in capital contributions to its joint venture with RallyBio, RE Ventures (six months to June 30, 2021: £1,424,000).

The Group's share of the loss incurred by the joint venture during the six months ended June 30, 2022 totalled £564,000 (six months to June 30, 2021: £743,000).

There were no transactions with the Group's other joint venture with RallyBio, RE Ventures II, LLC, during the six months ended June 30, 2022 (six months to June 30, 2021: £nil).

The Group's interests in joint operations are disclosed in the consolidated financial statements for the year ended December 31, 2021.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

12. Leases

All right-of-use assets relate to leased premises. As at January 1, 2022 the Group had right-of-use assets relating to six pre-existing lease agreements pertaining to three properties based in the United Kingdom and one in Austria.

On March 25, 2022 the group entered into three lease arrangements in relation to additional space at its pre-existing premises within the Schrödinger Building in Oxford, United Kingdom. Two of the leases expire in September 2033, with a break period in September 2028. The Group has the right, but not the obligation to exit both leases at the end of the break period. The third lease expires in December 2023. A right-of-use asset of £2,193,000 has been recognised in relation to these leases during the six months ended June 30, 2022.

A right-of-use asset of £200,000 was recognised during the six months ended June 30, 2022 relating to estimated future restoration costs in relation to one of the Group's pre-existing leases; see note 16 for further details.

The undiscounted lease liability contractual maturities as at June 30, 2022 and December 31, 2021 are as follows:

	June 30, 2022	31 December 2021
	£'000	£'000
Within one year	1,454	1,075
One to five years	5,032	3,811
More than 5 years	596	415
	7,082	5,301

13. Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of financial instruments since the last annual financial report.

Nature of financial instruments recognised and measured at fair value

GT shares

During the six months ended June 30, 2022 the Group's only financial instrument measured at fair value consisted of unlisted equity securities comprising of ordinary and preference shares in GT Apeiron Therapeutics, which were acquired in March 2021 and in relation to which the Group has taken the election provided within IFRS 9 to recognise fair value gains and losses within Other Comprehensive Income.

Unobservable market data is available to the Group as at June 30, 2022 in the form of a recent arms-length transaction involving equity instruments of the entity in question, and as such the fair value of the Group's investment was established with reference to that transaction.

Softbank equity facility

The Group entered into an equity facility with SVF II Excel (DE) LLC ("SoftBank") on April 27, 2021. Pursuant to this agreement, subject to certain conditions, SoftBank agreed to subscribe for up to an additional £216,174,000 in Series D Preferred shares at the Group's request. The Equity Facility Agreement terminated at the earlier of the one year anniversary of signing or, if shorter, until the consummation of an Initial Public Offering ("IPO") or a Share Sale as defined in the Company's Articles. The right to place shares at a pre-agreed price was classified as a derivative financial asset held at fair value through profit and loss ("FVPL"). The instrument also included an embedded derivative relating to foreign exchange volatility between the Subscription Price, which was US Dollar denominated, and the currency of the underlying shares, which are denominated in Sterling. As at June 30, 2021 the derivative financial asset had a fair value of £1,362,000. The Equity Facility was terminated upon consummation of the Group's IPO on October 05, 2021, leading to a reversal of this income statement gain in the third quarter of 2021.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

13. Fair value measurement of financial instruments (continued)

Nature of financial instruments recognised and measured at fair value (continued)

Foreign exchange forward contracts

During the three months ended June 30, 2022 the Group entered into a series of forward contracts of under three months duration whereby a commitment was made to exchange US dollars for a fixed number of pounds Sterling in order to hedge its exposure to foreign exchange. All such transactions were settled during the quarter for a cumulative loss of £11,287,000.

Fair value measurements using significant unobservable inputs (level 3)- equity investments at FVOCI

	Unlisted equity securities
	£'000
Opening balance as at January 1, 2022	2,145
Gain/(loss) recognised in other comprehensive income	—
Closing balance as at June 30, 2022	2,145

The group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at June 30, 2022. There have been no transfers between levels 2 and 3 and changes in valuation techniques during the period.

Other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

On June 21, 2022, the Group invested £100,000,000 into a 12-month short term deposit with an F1+ rated UK financial institution. This short term bank deposit accrues interest at a rate of 2.35% and has been classified as a financial asset measured at amortised cost.

14. Share capital

	June 30, 2022	December 31, 2021
	£	£
Issued and fully paid share capital		
122,460,635 (2021: 120,886,527) Ordinary shares of £0.0005 each	61,230	60,443
Nil (2021: 324,121) Deferred shares of £0.01 each	—	3,241
	61,230	63,684

Shares authorised and issued (number)

	December 31, 2021	Exercise of share-based payment awards	Cancellation of deferred shares	June 30, 2022
Ordinary shares	120,886,527	1,574,108	—	122,460,635
Deferred shares	324,121	—	(324,121)	—
	121,210,648	1,574,108	(324,121)	122,460,635

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

14. Share capital (continued)

On June 27, 2022 the Company cancelled the 324,121 deferred shares outstanding at that date in exchange for consideration of £1, with the repurchase resulting in the creation of a capital redemption reserve at that date.

A total of 1,574,108 shares were issued upon the exercise of share-based payment awards during the six months ended June 30, 2022; see note 19 for further details.

Rights of share classes

Holders of ordinary shares are entitled to one vote per share at a show of hands meeting of the Company and one vote per share on a resolution on a poll taken at a meeting and on a written resolution. The deferred shares conveyed no voting rights to the shareholders prior to their repurchase.

15. Contract liabilities and other advances

	June 30, 2022	December 31, 2021
	£'000	£'000
Within one year	34,085	29,962
More than one year	81,362	16,359
	115,447	46,321

A reconciliation of the movement in contract liabilities and other advances for the six months ended June 30, 2022 is as follows:

	January 01, 2022	Additions	Recognised in the income statement	Foreign exchange	June 30, 2022
	£'000	£'000	£'000	£'000	£'000
Grants	1,889	623	(757)	2	1,757
Revenue generating collaborations	28,946	85,700	(13,873)	5	100,778
Joint operations	15,486	—	(2,574)	—	12,912
Total contract liabilities and other advances	46,321	86,323	(17,204)	7	115,447

Grant additions during the six months ended June 30, 2022 relate to amounts received from the Gates Foundation during the period.

Additions to contract liabilities relating to revenue generating collaborations during the six months ended June 30, 2022 include £74,242,000 (\$100,000,000) invoiced to Sanofi relating to the collaboration initiated with that counterparty on January 4, 2022 and £11,434,000 (\$15,000,000) invoiced to BMS comprising a \$10,000,000 upfront payment relating to the fifth target in our second collaboration with that counterparty and a \$5,000,000 payment relating to the extension of the Group's first collaboration with BMS as described in note 4.

The Group expects to recognise its contract liabilities relating to revenue generating collaborations over the terms of the related collaborations, the longest of which extends to December 2027. As at December 31, 2021 the Group expected to recognise its contract liabilities relating to revenue generating collaborations over the period to September 2023.

Exscentia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

15. Contract liabilities and other advances (continued)

A reconciliation of the movement in contract liabilities and other advances for the year ended December 31, 2021 is as follows:

	January 01, 2021	Additions	Acquired as part of acquisition	Recognised in the income statement	Foreign exchange	December 31, 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	2,336	1,198	114	(1,757)	(2)	1,889
Revenue generating collaborations	7,970	29,186	186	(8,393)	(3)	28,946
Joint operations	—	16,253	—	(767)	—	15,486
Total contract liabilities and other advances	10,306	46,637	300	(10,917)	(5)	46,321

16. Provisions

As at the year ended December 31, 2021 a provision of £537,000 existed in respect of the Group's obligation to restore alterations made on leased space within one of the groups leasehold properties. The required work is expected to be completed in 2024 and 2028.

During the six month ended June 30, 2022 an additional provision of £200,000 was recognised in respect of the Group's obligation to restore alterations made during the period on a leased space in another of the Group's leasehold properties. The required work is expected to be completed in 2026.

17. Other payables

	June 30, 2022	December 31, 2021
	£'000	£'000
Accruals	13,583	5,259
Other payables	645	931
Other taxation and social security	2,714	2,213
Corporation tax	45	6
	16,987	8,409

18. Related party transactions

Following the Group's IPO on October 5, 2021 the Group has no related parties in accordance with the IAS 24 definition who are not members of the Group. Prior to the completion of the IPO, Evotec AG was deemed to be a related party through the significance of their shareholding in Exscentia plc.

During the six months ended June 30, 2021 the Group had three main arrangements with Evotec AG and its affiliates:

- In March 2016 a joint operation set up for the development of three compounds, with each party originally retaining a 50% ownership of the underlying IP. Evotec AG has invoiced the Group £196,000 during the period from six months ended June 30, 2021 in relation to this joint operation, of which £182,000 was outstanding at June 30, 2021. The expenses related to these amounts are recognised within research and development expenses.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

18. Related party transactions (continued)

- As part of this joint operation, Aptuit (Verona) SRL (an affiliate of Evotec AG) has been engaged to carry out the preclinical toxicology and manufacturing work for the lead compound. The entity invoiced the Group £577,000 during the six months ended June 30, 2021, of which £nil was outstanding at June 30, 2021. The expenses related to these amounts are recognised within research and development expenses. As at June 30, 2021 the Group had recorded accruals totalling £227,000 relating to costs incurred with Aptuit that had yet to be invoiced at that date.
- Exscientia AI Limited has a services arrangement with Evotec, pursuant to which it has engaged Evotec as a contract research organisation to help deliver candidate compounds under its collaboration agreement with Celgene Corporation. The entity invoiced £5,957,000 during the six months ended June 30, 2021, of which £nil was outstanding at June 30, 2021. The expenses related to these amounts are recognised within cost of sales.

See note 11 for details of the Group's transactions with joint ventures during the six months ended June 30, 2022 and 2021.

19. Share based payments

From April 2022 the Company has issued all share options, performance share options, RSUs and PSUs to employees and non-employee members of the Board of Directors under the *2021 Equity Incentive Plan ("EIP")*. All awards prior to that date were issued under the following legacy plans:

- Enterprise Management Incentive ("EMI") Scheme
- Company Share Ownership Plan ("CSOP")
- Unapproved Share Ownership Plan ("USOP")

Total share-based remuneration expenses relating to share options, performance share options, RSUs, PSUs and the equity securities issued upon the acquisition of a subsidiary undertaking (as detailed in note 28 of the consolidated financial statements of the Group for the year ended December 31, 2021) amounted to £13,686,000 during the six months ended June 30, 2022 (six months ended June 30, 2021: £3,149,000).

Total share-based remuneration expenses for the three months ended June 30, 2022 amounted to £10,126,000 (three months ended June 30, 2021: £2,705,000).

The following table represents the share-based payment expense by award type for the three and six months ended June 30, 2022 and 2021:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Share options	6,650	2,541	8,860	2,985
Performance share options	823	—	823	—
PSUs	137	—	137	—
RSUs	1,286	164	1,419	164
Clawback shares	1,230	—	2,447	—
	10,126	2,705	13,686	3,149

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

19. Share based payments (continued)

Share Options

Share options are granted to employees and non-executive directors of the Group. These options typically vest in tranches over four years, with the only vesting condition relating to continued employment by the Group. Information with respect to share options for the six months ending June 30, 2022 is as follows:

	Number of share options	Weighted average exercise price
Options held as at January 1, 2022	8,265,900 £	0.02
Granted	2,489,891 £	—
Exercised	(1,048,792) £	0.02
Forfeited	(80,118) £	0.02
Options held as at June 30, 2022	9,626,881 £	0.02
Exercisable as at June 30, 2022	3,863,938 £	0.02

A Black-Scholes model has been used to calculate the fair value of the share options as at the grant date, with the following weighted average values for the six months ended June 30, 2022:

Exercise price	£	0.0005
Expected life		6.0 years
Expected volatility		91.0 %
Risk-free rate		1.55 %
Expected dividend rate		—
Fair value	£	10.94

The fair value of the underlying ordinary shares is equal to closing share price at the grant date converted at the prevailing exchange rate at that date. The risk-free rate is determined by reference to the rate of interest obtainable from US Government Bonds over a period commensurate with the expect term of the options. Expected volatility has been derived as the weighted average volatility of comparator companies who have been listed for a period commensurate with the expected term prior to the grant date, and the expected life of the options has been set equal to the mid-point between the vesting date and the expiry date of the award in question.

Performance Share Options

Performance share options are granted to certain executive officers of the group on an annual basis, and contain market based performance conditions relating to total shareholder return as well as a continued employment vesting requirement. These awards vest in tranches over three years. Information with respect to performance share options for the six months ending June 30, 2022 is as follows:

	Number of share options	Weighted average exercise price
Options held as at January 1, 2022	— £	—
Granted	877,704 £	—
Options held as at June 30, 2022	877,704 £	—
Exercisable as at June 30, 2022	— £	—

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

19. Share based payments (continued)

A Monte Carlo model has been used to calculate the fair value of the performance options as at the grant date, with the following weighted average values for the six months ended June 30, 2022:

Exercise price	£	0.0005
Expected life		2.6 years
Expected volatility		93.1 %
Risk-free rate		2.60 %
Expected dividend rate		—
Fair value	£	9.33

The fair value of the underlying ordinary shares is equal to closing share price at the grant date converted at the prevailing exchange rate at that date. The risk-free rate is determined by reference to the rate of interest obtainable from US Government Bonds over a period commensurate with the expect term of the options. Expected volatility has been derived as the weighted average volatility of comparator companies who have been listed for a period commensurate with the expected term prior to the grant date, and the expected life of the options has been set equal to the mid-point between the vesting date and the expiry date of the award in question.

Performance Share Units

Performance share options are granted to certain executive officers of the group on an annual basis, and contain market based performance conditions relating to total shareholder return as well as a continued employment vesting requirement. These awards vest in tranches over three years. Information with respect to performance share options for the six months ending June 30, 2022 is as follows:

	Number of PSUs
PSUs held as at January 01, 2022	—
Granted	146,285
PSUs held as at June 30, 2022	146,285

A Monte Carlo model has been used to calculate the fair value of the performance options as at the grant date, with the same model inputs as detailed for the performance share options above.

Restricted Share Units

The Group operates a RSU scheme, whereby certain employees and directors receive restricted share units held over ordinary shares in the Company. These units are non-transferable and subject to forfeiture for periods prescribed by the Company. These awards are valued at the market value of the underlying shares at the date of grant and are subsequently amortised over the periods during which the restrictions lapse, typically four years. The awards expire on the cessation of the participant's employment with the Group. Information with respect to performance share options for the six months ending June 30, 2022 is as follows:

	Number of RSUs
RSUs held as at 1 January 2022	931,500
Granted	641,867
Exercised	(750,429)
RSUs held as at 30 June 2022	822,938

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

19. Share based payments (continued)

Restricted Share Units (continued)

Of the RSUs held as at January 1, 2022, 600,000 had been issued as replacement options for EMI options cancelled during the year ended December 31, 2021. These 600,000 awards were exercised during the six months ended June 30, 2022 via a net settlement arrangement, with 374,887 shares issued and £2,283,000 paid by the Company in order to settle related employee tax obligations. The payment made has been recognised within retained earnings.

The weighted average grant date fair value per unit of the RSUs granted in the three and six months to June 30, 2022 was £10.32. The weighted average remaining contractual life of the awards granted was 9.0 years as at June 30, 2022.

20. Commitments

The Group has capital expenditure contracted for but not recognised as liabilities as at June 30, 2022. The expenditure is as follows:

	June 30, 2022
	£'000
Plant and equipment	9,642
Computer software	52
Computer equipment	110
Leasehold improvements	2,038
	11,842

Gates Foundation private placement commitment

Concurrent with the Company's IPO on October 5, 2021, the Company completed a private placement to the Gates Foundation as detailed in note 21 of the consolidated financial statements of the Group for the year ended December 31, 2021. Under the terms of the Company's agreement with the Gates Foundation, the Group is committed to spending \$70,000,000 over a four-year period to the research, discovery, and development of small molecule anti-infective therapeutics for future pandemic preparedness, with a specific focus on developing therapeutics that can be applied against multiple species of coronaviridae, influenza, and paramyxoviridae (the "Pandemic Preparedness Program"). The Group had incurred £3,638,000 relating to the Pandemic Preparedness Program as at June 30, 2022 (December 31, 2021: £793,000), with a total outstanding commitment of £47,848,000 (December 31, 2021: £51,069,000).

In the event that the Group is in breach of certain terms within the agreement, the Gates Foundation has the right to sell, or require the Group to buy-back any shareholdings in the Group held by the Foundation at the higher of the public offering price and the market value of the shares at the date of default. Should such a breach occur or should the Company enter bankruptcy the Gates Foundation also has the exclusive right to utilise an exclusive global license granted as part of the agreement in relation to any IP generated by the Group pertaining to the Pandemic Preparedness Program for the benefit of people in certain developing countries. The default conditions are within the control of the Group and the license in question cannot be utilised unless such a default occurs or the Group enters bankruptcy. As such no fair value has been assigned to this license at the inception of the agreement.

Lease commitments

The Group entered into two 7 year lease arrangements in relation to laboratory and office space in Vienna, Austria on September 3, 2021, with the lease term commencing on or after October 1, 2022. Total minimum lease commitments of £6,302,000 are payable under these arrangements.

Exscientia plc

Notes to the unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021

21. Ultimate Parent and Controlling Party

Exscientia plc is the ultimate parent company of the Group. There is no ultimate controlling party.

22. Events occurring after the reporting period

On July 1, 2022 the Group entered into a lease arrangement in relation to premises in Boston, United States of America. The lease arrangement in question commences on January 1, 2023 and expires on January 1, 2033, and total minimum lease commitments of £4,013,000 are payable under this arrangement.

On July 25, 2022 the Group entered into a lease arrangement in relation to additional space at its pre-existing premises within the Schrödinger Building in Oxford, United Kingdom. The lease arrangement in question expires on February 13, 2027, and total minimum lease commitments of £398,000 are payable under this arrangement.

On August 05, 2022 the Group entered into a lease arrangement in relation to premises at Fletcher House in Oxford, United Kingdom. The lease arrangement in question commences on 04 October, 2022 and expires on 04 October, 2032, and total minimum lease commitments of £1,760,000 are payable under this arrangement.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated interim financial statements and the related notes to those statements included as Exhibit 99.1 to the Report of Foreign Private Issuer on Form 6-K, or the Current Report, submitted to the Securities and Exchange Commission, or the SEC, on August 17, 2022 and our consolidated financial statements and the related notes to those statements included in our Annual Report on Form 20-F filed with the SEC on March 23, 2022, or the Annual Report. The following discussion is based on our financial information prepared in accordance with the International Financial Reporting Standards, or IFRS, as issued by the IASB, which may differ in material respects from generally accepted accounting principles in other jurisdictions, including U.S. GAAP. Some of the information contained in this discussion and analysis is set forth elsewhere in this Current Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You should review the sections in our Annual Report titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of the 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.

We maintain our books and records in pounds sterling. For the convenience of the reader, we have translated pound sterling amounts as of and for the period ended June 30, 2022 into U.S. dollars at the noon buying rate of the Federal Reserve Bank of New York on June 30, 2022, which was £1.00 to \$1.2162. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or any other exchange rate as of that or any other date.

We have historically conducted our business through Exscientia Limited, and therefore our historical financial statements previously presented the consolidated results of operations of Exscientia Limited. Following the completion of our initial public offering in October 2021, our consolidated financial statements present the consolidated results of operations of Exscientia Plc.

Unless otherwise indicated or the context otherwise requires, all references to "Exscientia", the "Company", "we", "our", "us", or similar terms refer to Exscientia Plc.

Overview

We are an artificial intelligence-driven pharmatech company committed to discovering, designing and developing the best possible drugs in the fastest and most effective manner. Our goal is to change the pharmaceutical industry's underlying pharmacoeconomic model, what we call "Shifting the Curve", by improving the probability of success, time and cost involved with creating new medicines. Our pipeline demonstrates our ability to rapidly translate scientific concepts into precision-designed therapeutic candidates. We have built a complete end-to-end solution of artificial intelligence, or AI, and experimental technologies for target identification, drug candidate design, translational models and patient selection. Our platform has enabled us to design candidate drug molecules that have progressed into clinical trials as well as to provide patients with potentially more applicable drug therapies through AI guided assessment. Our patient-first AI process is comprised of the following four elements:

- **Precision Target:** deep learning approaches to prioritise projects;
- **Precision Design:** an extensive platform of AI technologies to design innovative drugs;
- **Precision Experiment:** tech-enabled precision experimentation to derive better data; and
- **Precision Medicine:** integrated analysis of patient data to ensure clinical relevance.

Our AI-design capabilities include a wide range of deep-learning and machine-learning algorithms, generative methods, active learning and natural language processing. These methods are used to guide target selection, to

design the precise molecular architecture of potential drug molecules and to analyse patient tissues to prioritise the molecules that are likely to provide the best response for an individual's specific tumour.

The COVID-19 Pandemic, Geopolitical Events and Macroeconomic Conditions

We are subject to risks and uncertainties as a result of the continued spread of COVID-19, adverse geopolitical and macroeconomic events, such as the ongoing conflict between Ukraine and Russia and related sanctions, and uncertain market conditions, including higher inflation and supply chain disruptions, which may have a material impact on our business and financial results.

The risks and uncertainties presented by the COVID-19 pandemic, adverse geopolitical and macroeconomic events, and uncertain market conditions have not materially impacted our business to date. However, the extent to which the COVID-19 pandemic may impact our business will depend on future developments, which remain uncertain and cannot be predicted with confidence. The outbreak may also have long-term effects on the nature of the office environment and remote working, which may present strategy, operational, talent recruiting and retention and workplace culture challenges that may adversely affect our business. We will continue to actively monitor the situation related to the COVID-19 pandemic and may take further actions that alter our business operations, including those that may be required by federal, state or local authorities, or that we determine are in the best interests of our employees and other stakeholders.

Our Strategy

Our focus on encoding and automating critical functions in drug discovery has meant we can readily scale our business. Our target identification and drug design technologies can be applied to small molecule discovery across any therapeutic indication, while our precision medicine platform focuses on oncology and can be applied to both small molecules and biologics. We seek to continuously grow our platform by creating scalable technologies to solve new drug discovery problems in a better, more efficient way. Our goal is for every project, whether internal or partnered, to not only deliver potential high-impact medicines, but also expand our capabilities for future projects.

Internal pipeline:

- **Wholly owned programmes and majority owned pilot programme:** Our wholly owned programmes and majority owned pilot programme primarily focus on oncology, immuno-oncology and antivirals. We perform all activities (experimental and computational) from target identification through to clinical trials, if applicable. These programmes include our majority-owned pilot oncology asset, EXS-21546, and our wholly owned future pandemic preparedness portfolio, developed in collaboration with the Bill & Melinda Gates Foundation. As our broad internal portfolio advances, we continue to assess the optimum development pathway to success, which may include co-developing, partnering or out-licensing, that best fit for our long-term strategy and capabilities.
- **Co-owned programmes:** We have a number of co-owned projects with biopharmaceutical companies, the terms of which include cost sharing in the development and commercialisation of drug candidates, with a corresponding share in revenue or profits generated from approved product candidates. Our co-owned projects are operated through contractual arrangements, or joint operations, with partners such as EQRx, Inc., or EQRx, and Huadong Medicine Co., Ltd, or Huadong, or through distinct legal entities in which we become co-founders alongside our partners, as with our joint venture with RallyBio, LLC, or RallyBio. Development and strategic decisions for these programmes are made jointly, with both partners maintaining an ability to opt out of further development with a commensurate loss of rights.

Partnered programmes:

- We provide end-to-end discovery capabilities across a variety of therapeutic areas in exchange for upfront payments, milestones, opt-in payments and royalties on net sales if a product developed from the

partnership is commercialised. We expect to continue to be reliant on our partners to progress drug candidates through clinical trials and regulatory approval in order for us to realise certain development milestones and royalties on commercial sales. We have several collaboration agreements with global pharmaceutical companies, including Bristol Myers Squibb (BMS) and Sanofi. Revenue associated with these agreements is recognised in accordance with IFRS 15 Revenue from Contracts with Customers, with the associated expenses recognised in cost of sales. All of our partnership agreements allow for assets to become wholly owned by Exscientia if a partner decides not to continue development after our operational commitment is satisfied, with no payment required by Exscientia.

Recent Developments

In January 2022, we entered into a Collaboration and Licence Agreement, or the CLA, with Sanofi, pursuant to which we will use our AI-driven, end-to-end integrated platform to discover and validate novel targets in the oncology and immunology therapeutic areas. We will collaborate with Sanofi to advance certain of these targets into small molecule inhibitor drug research projects and accelerate the identification of certain small molecule development candidates. The Group received an upfront payment of \$100 million in April 2022 in relation to this collaboration.

On March 11, 2022, BMS extended its first collaboration arrangement with the Group by six months in order to generate additional data including the use of translational capabilities for key targets under the collaboration using the Group's precision medicine platform, in relation to which the Group received a cash payment of \$5 million. The term extension payment has been treated as an addition to the transaction price, in accordance with paragraph 21b of IFRS 15, relating to the collaboration's partially unsatisfied performance obligations for the design and development of candidates for collaboration targets, with a cumulative recognition of revenue at that date based upon the progress towards satisfaction of the related performance obligations. The remaining element of the transaction price is being recognised as revenue as the performance obligations are satisfied, if applicable.

On April 06, 2022, the Group received a \$10 million upfront payment from BMS following the selection of a fifth target in relation to the second collaboration arrangement with BMS.

In April 2022, the Company presented three posters on its precision medicine platform and pipeline programmes at the American Association of Cancer Research Annual Meeting (AACR). The data highlighted the potential benefits of Exscientia's AI-driven design to rapidly discovery molecules with optimised properties, including GTAEXS-617, as well as the potential of Exscientia's precision medicine platform to find novel pathways as well as make progress towards identifying patients who may better respond to drugs in the clinic.

On May 30, 2022, Exscientia terminated its pre-existing collaboration arrangement with Bayer AG. Upon termination, all remaining performance obligations pertaining to the contract were deemed to be fully discharged, resulting in the recognition of revenues totalling £1.2 million at that point. Exscientia will retain optionality to develop one of the two targets that had been pursued under the collaboration. The Bayer agreement was the last Exscientia partnership based on only design services (which excludes experimental, project management and precision medicine activities), and this change is aligned with the Company strategy to increasingly focus the pipeline on programmes where Exscientia's AI design and precision medicine platform can be integrated.

On June 14, 2022, the Company announced topline data from its EXS-21546 Phase 1a study demonstrating targeted A2A receptor signaling inhibition in healthy volunteers. The data builds upon the body of evidence suggesting '546 is a highly potent and selective A2aR antagonist with low CNS exposure. Translational work to establish a predictive biomarker to determine which patients are most likely to benefit from '546 is ongoing.

The Group has expanded its portfolio of leasehold premises throughout the period. On March 25, 2022 the Group entered into three lease arrangements in relation to additional space at its pre-existing premises within the Schrödinger Building in Oxford, United Kingdom. Further office space at the same premises was leased on July 25, 2022. The Group also entered into a lease arrangement in relation to premises in Boston, United States of America on July 01, 2022. On August 05, 2022 the Group entered into an additional lease arrangement in relation to premises at Fletcher House in Oxford, United Kingdom.

Components of Results of Operations

Revenue

We generate revenue broadly from two streams that relate to our principal activities:

- **Licensing fees:** We receive licensing fees from partnered programmes where we develop intellectual property on behalf of a collaboration partner. These agreements either assign all of the designated intellectual property to the partner from inception or grant an exclusive option to the partner to acquire rights to the future development and commercialisation of the intellectual property. As part of these agreements, we may receive future milestone and royalty payments upon achievement of clinical, regulatory and commercial milestones; and
- **Service fees:** We generate service fees from drug discovery collaboration agreements where we are utilising our proprietary technology to develop novel intellectual property on behalf of the collaboration partner, but do not have any rights to future milestones and royalties as a direct result of the agreement. We also generate service revenues through our Exscientia GmbH entity related to collaboration agreements that existed with Exscientia GmbH at the time of our acquisition, which we expect to discontinue at the earliest commercially viable point.

We receive four types of payments within the two revenue streams:

- Upfront payments, which are generally payable upon execution of the collaboration agreement or on initiation of a project;
- Research funding (including term extension payments), which is generally payable throughout the collaboration at defined intervals that are set out in the agreement (e.g., quarterly or at the beginning of a specific phase of work) and is intended to fund research (internal and external) to develop the drug compound that is the subject of the collaboration;
- Milestone payments, which are linked to the achievement of events that are defined in the agreement, such as clinical and regulatory milestones; and
- Opt-in payments, which are similar in principle to milestone payments, but are payable when the partner exercises its option to take ownership of the designated intellectual property. These payments only exist where we initially retained ownership of the designated intellectual property.

In addition to the payments described above, we may also receive milestone payments upon the first commercial sale of a product, if and when approved, the amount of which is based on the territory the sale occurs in, and royalties based on worldwide net sales. These amounts have not been included within the transaction price for any contract as of June 30, 2022 and 2021. We have only recognised revenue in respect of non-cancellable, non-refundable payments and achieved milestones due under executed collaboration contracts. Any payments which relate to future milestones or options under the control of our collaboration partners have not been recognised.

Costs of Sales

Costs of sales relate to costs from third-party contract research organisations, or CROs, as well as internal labour and absorbed overhead incurred in relation to collaboration arrangements and drug discovery agreements for third parties which have been designated as contracts with customers in accordance with IFRS 15. External CRO costs are the main driver for our costs of sales, representing 78% and 79% compared to 89% and 90% of total costs of sales during the three and six months ended June 30, 2022 and 2021, respectively. We expect our costs of sales to increase in the future as we commence additional collaboration projects.

Gross Profit/(Loss)

Gross profit represents revenue less costs of sales. Gross margin is gross profit expressed as a percentage of revenue. Our gross margin may fluctuate from period to period as a result of our drug discovery collaboration activities. For example, the revenue associated with collaboration up-front payments is recognised over time, while certain opt-in and milestone payments are recognised when assessed to be highly probable, which is generally upon achievement.

For obligations recognised over time the Group recognises revenue only equal to the extent that costs incurred are deemed to be recoverable until such time that it can reasonably estimate the total expected costs/hours to be incurred in delivering the performance obligation. For obligations in which revenue is recognised at a point in time, that point in time is the date at which the satisfaction of the performance obligation is mutually agreed with our customer.

Therefore, we believe that gross profit is not currently a helpful predictor of the future performance of our business.

Research and Development Expenses

Research and development expenses consist of internal and co-owned drug discovery programme costs and costs incurred for the ongoing development of our technology platform. All research and development costs are expensed as incurred due to scientific and technological uncertainty. These costs primarily consist of:

- internal personnel-related expenses, including salaries, benefits, bonuses and stock-based compensation for employees engaged in research and development functions;
- external expenses incurred under agreements with CROs and other consultants involved in our research and development;
- facilities, depreciation and amortisation, insurance and other direct and allocated expenses incurred as a result of research and development activities; and
- costs associated with operating our digital infrastructure, including allocated software, computing capacity costs, and laboratory-related costs, including laboratory equipment depreciation.

All direct external research and development expenditures are tracked on a programme-by-programme basis and consist primarily of fees paid to CROs relating to wholly and jointly operated discovery programmes in the later stages of drug discovery, including lead optimisation, preclinical and clinical studies, and are assigned to the individual programmes. We utilise internal employee time and cost data to allocate internal research and development expenses, such as employee costs, laboratory supplies, facilities, depreciation, or other indirect costs, to specific programmes because these costs are deployed across multiple programmes.

We expect our research and development expenses to increase substantially for the foreseeable future as we continue to expand and advance our internal and partnered drug pipeline, invest in our technology platform and hire additional personnel directly involved in such efforts. Drug development generally becomes more costly as programmes advance into later stages, as these trials typically require a higher number of patients enrolled and sites operated. We cannot determine with certainty the timing of initiation, the duration, or the completion costs of current or future clinical trials of our drug candidates due to the inherently unpredictable nature of drug development. At this time, we cannot reasonably estimate or know the nature or timing of the efforts that will be necessary to complete the development and commercialisation of any drug candidates that we develop from our programmes. As a result, our research and development expenses may vary substantially from period to period. All of our programmes are at an early stage of development, and we may experience numerous unforeseen events during, or as a result of, the clinical trial process that could delay or prevent commercialisation of our drug candidates and result in a significant change in the costs and timing associated with the development of any of our programmes.

General and Administrative Expenses

General and administrative expenses consist of personnel-related expenses associated with our executive, legal, finance, human resources, information technology and other administrative functions, including salaries, benefits, bonuses and stock-based compensation. General and administrative expenses also include professional fees

(including fees relating to external legal, accounting and consulting services), allocated overhead costs, including depreciation charges associated with our information technology, facilities and other administrative functions.

We expect that our general and administrative expenses will increase for the foreseeable future to support the anticipated growth of our business.

Share-based Compensation

Share-based compensation expenses are recorded within either research and development expenses or administrative expenses depending on the activities of the employees to which they relate.

Our share-based compensation relates to share awards granted to employees, non-employees and directors in connection with Exscientia's share-based compensation plans. Share-based payment awards primarily consist of service based awards, some of which also have market-based performance conditions. We measure the fair value of service based awards at the grant date using the Black-Scholes option pricing model, whilst the fair value of those awards also containing market-based conditions is determined at the grant date using a Monte Carlo simulation model. These models incorporate various assumptions including the expected volatility of our ordinary shares, the expected term of the awards and a risk-free interest rate. We amortise the fair value over the vesting term on a straight-line basis. We account for forfeitures as they occur. If any of the assumptions used in the models change significantly for future grant valuations, share-based compensation expense may differ materially in the future from that recorded in the current period.

We expect that our share-based compensation expenses will increase for the foreseeable future as the business continues to grow.

Other Income

Other income consists of income from grants, tax credits receivable from the United Kingdom's Research and Development Expenditure Credit Scheme, or RDEC, and Austrian R&D tax credits.

As of June 30, 2022, we had three grants, a European governmental grant, a grant provided by the Bill & Melinda Gates Foundation, or BMGF, and a grant provided by The Austrian Research Promotion Agency, or FFG. The maximum amounts receivable under our current grants are £1.2 million, £3.1 million, and £2.1 million, respectively.

The first two grants provide reimbursement for certain personnel, consumables and overhead costs incurred in the performance of research and development activities, while the FFG grant relates to the early stage testing of a drug's action in solid tumour patient samples with high content microscopy and deep-learning. These grants compensate us for research and development activities and are recognised as other income in the periods in which the expenses are incurred, unless the conditions for receiving the grant are met after the related expenses have been incurred. In each case, the grant is recognised when it becomes receivable.

The other component of other income relates to certain R&D tax credits received by the Group as follows:

- RDEC relates to UK tax credits receivable in relation to eligible research and development expenditures that are not eligible to be included in the Small and Medium-sized Enterprises research and development tax relief programme, or SME Programme, as discussed below under the section entitled Income Tax Benefit, such as when we receive income from a collaboration partner or grant funding for certain projects. These costs are claimed under the RDEC scheme, which offers a tax credit of up to 13% for qualifying expenditures, with certain subcontracted expenditures receiving an 8.5% tax credit. Under the RDEC regime, qualifying subcontracted costs are limited to those undertaken with certain institutions such as charities, higher education institutes, or scientific research organisations.

Under the RDEC regime, the tax credit is accounted for in our profit before tax under other income, with an associated tax charge recognised at the prevailing rate of corporation tax in the United Kingdom (currently 19%) before total loss for the year. In the future, we may only be able to continue to claim certain research

and development tax credits under the RDEC regime, if we no longer qualify as a small or medium-sized company as defined under HM Revenue and Customs criteria.

- The Group also receives an Austrian Research Premium in relation to eligible research and experimental development expenditures. The research premium is accounted for within other income at a rate of 14%.

Foreign Exchange Gains/(Losses)

Foreign exchange gains/(losses) arises primarily on the translation of our non-pounds sterling denominated cash and cash equivalents, in addition to outstanding monetary non-pounds sterling financial assets and liabilities, including trade receivables.

Gains/(Losses) on Forward Contracts

The Group enters into contracts whereby fixed amounts of currencies are exchanged at a pre-determined rate at a future date. These currency forward contracts are initially recognised at fair value on the date at which the derivative contract is executed, and are subsequently re-measured at fair value each period-end. Any gains and losses arising from changes in the fair value of derivatives are recognised within profit and loss.

Finance Income

Finance income arises primarily from interest income on cash, cash equivalents and short-term bank deposits.

Finance Expenses

Finance expenses consist of interest expenses related to lease liabilities as recognised under the accounting standard IFRS 16 'Leases', interest in relation to unwinding the discounting of restoration provisions recognised in relation to the Group's leased premises and loan and bank interest payable.

Share of Loss of Joint Venture

Share of loss of joint ventures consist of our share of costs incurred by RE Ventures I, LLC, the joint venture entity we own equally with RallyBio. We incorporated an additional joint venture entity with RallyBio, RE Ventures II, LLC, during the year ended December 31, 2021; however no expenses were incurred by this entity during the six months ended June 30, 2022.

Income Tax Benefit

Our income tax benefit is comprised of research and development tax credits recoverable in the United Kingdom offset by income tax payable in the United States and Japan. We are subject to corporation taxation in the United Kingdom. Exscientia AI Limited's wholly owned U.S. subsidiaries, Exscientia, Inc., Exscientia Ventures I, Inc. and Exscientia Ventures II, Inc. are subject to corporation taxation in the United States. Exscientia AI Limited's wholly owned subsidiary Exscientia KK is subject to corporation taxation in Japan. Exscientia AI Limited's wholly owned subsidiary Exscientia GmbH is subject to corporation tax in Austria. Due to the nature of our business, we have generated losses since inception. Exscientia, Inc. and Exscientia KK both generate taxable profits due to intercompany transfer pricing arrangements.

As a company that carries out extensive research and development activities, we benefit from the United Kingdom's small-and-medium enterprises research and development tax credit regime, or SME Programme, and are able to surrender some of our losses for a cash rebate of up to 33.35% of expenditures related to eligible research and development projects. Qualifying expenditures largely consist of employment costs for relevant staff, external workers provided by CROs, and software and consumables used in research and development projects. Certain subcontracted qualifying research and development expenditures are eligible for a cash rebate of up to 21.68%. A

large portion of costs relating to our research and development is eligible for inclusion within the tax credit cash rebate claims. The SME Programme credit is recognised in full in the income tax benefit.

Segmented and Enterprise Wide Information

We manage our operations as a single operating segment for the purposes of assessing performance and making operating decisions. Our focus is on the discovery and development of small molecule drug candidates.

Results of Operations

Comparison of the Three and Six Months ended June 30, 2022 and 2021

The following table summarises our Consolidated Statement of Comprehensive Loss for each period presented (in thousands):

	Three months ended June 30,			Six months ended June 30,	
	2022	2022	2021	2022	2021
Revenue	\$ 8,680	£ 7,137	£ 292	£ 14,112	£ 5,575
Costs of sales	(10,884)	(8,949)	(3,593)	(14,573)	(7,480)
Gross profit	(2,204)	(1,812)	(3,301)	(461)	(1,905)
Research and development expenses	(40,216)	(33,067)	(8,168)	(56,459)	(12,379)
General administrative expenses	(14,667)	(12,060)	(7,518)	(19,879)	(10,803)
Foreign exchange gains/(losses)	27,726	22,797	(2,773)	32,471	(2,899)
Loss on forward contracts	(13,727)	(11,287)	—	(11,287)	—
Other income	1,845	1,517	809	2,950	1,252
Operating loss	(41,243)	(33,912)	(20,951)	(52,665)	(26,734)
Finance income	535	440	3	512	5
Finance expenses	(89)	(73)	(29)	(127)	(59)
Share of loss of joint venture	(330)	(271)	(368)	(564)	(743)
Gain on derivative financial instrument	—	—	1,362	—	1,362
Loss before taxation	(41,127)	(33,816)	(19,983)	(52,844)	(26,169)
Income tax benefit	6,251	5,140	1,387	8,676	2,104
Loss for the period	\$ (34,876)	£ (28,676)	£ (18,596)	£ (44,168)	£ (24,065)

Revenue

The following table presents our revenue for the years indicated (in thousands):

	Three months ended June 30,			Six months ended June 30,	
	2022	2022	2021	2022	2021
Service fees	\$ 409	£ 336	£ 133	£ 336	£ 333
Licensing fees - opt-in payments and milestones achieved	—	—	—	—	3,349
Licensing fees - upfront payments and research funding (including term extension payments)	8,271	6,801	159	13,776	1,893
Total Revenue	\$ 8,680	£ 7,137	£ 292	£ 14,112	£ 5,575

Revenue is recognised upon the satisfaction of performance obligations, which occurs when control of the goods or services transfers to the customer. All licensing revenues during the three and six months ended June 30, 2022 and

2021 relate to obligations discharged over time, and input methods are utilised in order to estimate the extent to which the performance obligations have been satisfied at the end of the reporting period based upon costs incurred, which can be internal or third party in nature. Service fees during the three and six months ended June 30, 2022 relate to revenues generated from legacy contracts held by Exscientia GmbH, in relation to which revenue is recognised at a point in time; with service fees for the three and six months ended June 30, 2021 relating to obligations discharged over time.

On March 11, 2022, BMS extended its first collaboration arrangement with the Group by six months in order to generate additional translational data collaboration compounds using the Group's precision medicine platform, in relation to which the Group received a cash payment of \$5.0 million. The term extension payment has been treated as an addition to the transaction price associated with the collaboration agreement, with £3.6m of the payment recognised as revenue during March 2022 based on progress towards satisfaction of the related performance obligations at that point. The remaining element of the transaction price is being recognised as revenue as the performance obligations are satisfied, if applicable.

On May 30, 2022, Exscientia terminated its pre-existing collaboration arrangement with Bayer AG. Upon termination all remaining performance obligations pertaining to the contract were deemed to be fully discharged, resulting in the recognition of revenues totalling £1.2 million at that point.

During the three months ended June 30, 2021, £3.4 million was recognised as revenue in relation to a candidate selection milestone achieved in respect of the Group's collaboration with GTA.

No changes to estimated total projected external costs were noted during the six months ended June 30, 2022 that had a significant impact on revenues recognised during the period. During the three and six month period to June 30, 2021, the Group re-assessed its estimate of total projected external costs to be incurred over the course of its first collaboration with BMS as a result of changes in the competitive landscape during the period and additional estimated costs relating to the design and profiling of additional candidate compounds to further support the Group's patent applications. The Group's expectations of total project external costs at June 30, 2021 were 34% higher than at December 31, 2020.

The Group has assessed its significant collaboration arrangements with commercial partners and determined that no provision for future operating losses is required as at June 30, 2022 taking into account expected future cash inflows and remaining contract liabilities amounts for each collaboration relative to the remaining unavoidable costs of meeting the contracts' obligations in each instance.

Costs of Sales

The following table presents our costs of sales for the periods indicated (in thousands):

	Three months ended June 30,			Six months ended June 30,	
	2022	2022	2021	2022	2021
External CRO costs	\$ 8,461	£ 6,957	£ 3,185	£ 11,444	£ 6,700
Internal labour and overheads	2,423	1,992	408	3,129	780
Total costs of sales	\$ 10,884	£ 8,949	£ 3,593	£ 14,573	£ 7,480

Cost of sales for the three and six months ended June 30, 2022 were £9.0 million and £14.6 million respectively, as compared to £3.6 million and £7.5 million for the same period ended June 30, 2021. The increase in cost of sales was primarily due to the expansion of the Group's collaborations with BMS as well as the commencement of work in relation to the collaboration with Sanofi. Our external cost of sales relate to costs incurred with third-party CROs, representing 78% and 79% compared to 89% and 90% of total costs of sales during the three and six months ended June 30, 2022 and 2021, respectively.

Research and Development Expenses

The following table presents our research and development expenses for the periods indicated (in thousands):

	Three months ended June 30,			Six months ended June 30,	
	2022	2022	2021	2022	2021
EXS-21546	\$ 512	£ 421	£ 1,256	£ 2,180	£ 1,131
Other research projects	13,671	11,241	2,002	19,333	3,256
Total external research and development expense	14,183	11,662	3,258	21,513	4,387
Headcount related expenses	20,551	16,898	3,500	26,620	5,388
Laboratory consumables and equipment	2,772	2,279	437	4,616	837
Equipment	875	719	189	1,177	378
Software and data	2,134	1,755	614	3,069	1,117
Amortisation of Acquired IP	1,387	1,140	—	2,267	
Other	788	648	155	795	263
Reimbursements from collaboration partners	(2,474)	(2,034)	15	(3,598)	9
Total internal research and development expenses	26,033	21,405	4,910	34,946	7,992
Total research and development expenses	\$ 40,216	£ 33,067	£ 8,168	£ 56,459	£ 12,379

Research and development expenses for the three and six months ended June 30, 2022 were £33.1 million and £56.5 million respectively, as compared to £8.2 million and £12.4 million for the same period ended June 30, 2021. The increase in research and development expenses was in part due to the growth of our internal and co-owned portfolio, in addition to increased headcount and other costs associated with our continued technology investments.

General and Administrative Expenses

General and administrative expenses for the three and six months ended June 30, 2022 were £12.1 million and £19.9 million respectively, as compared to £7.5 million and £10.8 million for the same periods ended June 30, 2021. The increase in general and administrative expenses was primarily due to an increase in personnel costs associated with growth in headcount in addition to additional costs incurred in relation to the operation of a listed company following the company's IPO in October 2021.

Foreign Exchange Gains/(Losses)

Foreign exchange gains for the three and six months ended June 30, 2022 were £22.8 million and £32.5 million respectively, as compared to losses of £2.8 million and £2.9 million for the three and six months ended June 30, 2021. The current period gains are primarily driven by the strengthening of the U.S. dollar against the pound sterling over the course of the period, leading to foreign exchange gains upon revaluation of the Group's U.S. dollar denominated cash deposits and trade receivables.

Loss on Forward Contracts

During the three months ended June 30, 2022, the Group entered into a series of forward contracts of under three months duration whereby a commitment was made to exchange U.S. dollars for a fixed number of pounds sterling in order to hedge its exposure to foreign exchange risk. The U.S. dollar strengthened during the period relative to the rates agreed as part of the forward contract arrangements, resulting to a loss in the period of £11.3 million in relation to these transactions. The Company does not utilise derivative financial instruments for speculative purposes.

Other Income

Other income for the three and six months ended June 30, 2022 was £1.5 million and £3.0 million respectively, as compared to £0.8 million and £1.3 million for three and six months ended June 30, 2021. The increase in other income was primarily due to the UK RDEC tax credit which has increased as a result of increases in the underlying research and development expenditure upon which the claim is made.

Net Finance Income/(Expenses)

Net finance income/(expenses) for the three and six months ended June 30, 2022 were a net income of £0.4 million as compared to net finance expenses of £0.03 million and £0.05 million during the three and six months ended June 30, 2021.

Share of Loss of Joint Venture

The Group's share of loss on joint ventures for the three and six months ended June 30, 2022 was £0.3 million and £0.6 million respectively, as compared to £0.4 million and £0.7 million for the three and six months ended June 30, 2021.

Gain on Derivative Financial Instruments through Profit and Loss

The Group entered into an equity facility with SoftBank on April 27, 2021. Pursuant to this agreement, subject to certain subscription conditions, SoftBank agreed to subscribe up to an additional £216,174,000 in Series D Preferred shares at the Group's request. The Equity Facility Agreement would continue for a term of one year or, if shorter, until the consummation of an Initial Public Offering ("IPO") or a Share Sale as defined in the Company's Articles. The right to place shares at a pre-agreed price was classified as a derivative financial asset held at fair value through profit and loss ("FVPL"). The instrument also included an embedded derivative relating to foreign exchange volatility between the Subscription Price, which was U.S. dollar denominated, and the currency of the underlying shares, which are denominated in pounds sterling.

As at June 30, 2021 the derivative financial asset had a fair value of £1,362,000, leading to a gain on derivative financial instrument during the three months ended June 30, 2021. The Equity Facility was terminated upon consummation of the Group's IPO on October 05, 2021, leading to a reversal of this income statement gain in the third quarter of 2021.

Income Tax Benefit

Income tax benefit for the three and six months ended June 30, 2022 was £5.1 million and £8.7 million respectively, as compared to £1.4 million and £2.1 million for the same periods ended June 30, 2021. Our income tax benefit balance largely consists of research and development tax credits with the increase in benefit due to an underlying increase in qualifying research and development expenditure.

Liquidity and Capital Resources

Sources of Liquidity

Since its inception, the Group has not generated any revenue from the commercialisation of drug candidates and has instead financed its operations through sales of ordinary and preferred shares in addition to research funding and milestone payments resulting from its Partnered Programmes. The Group had cash, cash equivalents and short term bank deposits of £601.9 million and £562.2 million as of June 30, 2022 and December 31, 2021, respectively.

The Group's primary uses of capital are, and are expected to continue to be, research and development expenses, compensation and related personnel expenses, and other operating expenses, including facilities. Cash used to fund operating expenses is impacted by the timing of when we pay expenses, as reflected in the change in our outstanding

accounts payable and accrued expenses. We expect to incur substantial expenses in connection with the advancement of our drug candidates through the phases of clinical development.

The following table summarises the primary sources and uses of cash for each period presented (in thousands):

	Six months ended June 30,					
	2022		2021			
Net cash flows from operating activities	\$	63,283	£	52,033	£	3,722
Net cash flows used in investing activities		(133,100)		(109,439)		(3,492)
Net cash generated (used in)/from financing activities		(3,700)		(3,042)		182,786
Net (decrease)/increase in cash and cash equivalents	\$	(73,517)	£	(60,448)	£	183,016
Net increase in cash, cash equivalents and short term bank deposits	\$	48,175	£	39,611	£	183,016

Operating Activities

Net cash generated from operating activities increased to £52.0 million for the six months ended June 30, 2022 from £3.7 million for the six months ended June 30, 2021, primarily as a result of cash inflows from collaborations.

Cash inflows from collaborations during the six months ended June 30, 2022 included £74,242,000 (\$100,000,000) from Sanofi relating to the collaboration initiated with that counterparty on January 4, 2022, and £11,434,000 (\$15,000,000) from BMS, comprising a \$10,000,000 upfront payment relating to the fifth target in our second collaboration with that counterparty and a \$5,000,000 payment relating to the extension of the Group's first collaboration with BMS.

We expect that our cash inflows will continue to be highly variable from period to period, primarily due to the structure of our collaboration agreements. These agreements generally include payments to us at inception of the contract and also upon the achievement of milestones, the timing and achievement of which are highly uncertain and difficult to predict.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2022 was £109.5 million, as compared to net cash used of £3.5 million for the six months ended June 30, 2021. The majority of the current period investing cash outflow relates to the investment of £100,000,000 into a 12 month fixed term bank deposit on June 21, 2022 as well as purchase of property, plant and equipment.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2022 was £3.0 million as compared to net cash provided of £183.0 million for the six months ended June 30, 2021. The majority of the current period financing cash outflow relates to £2.3 million paid in settlement of employee tax liabilities as part of the net settlement of share based payment award exercises.

Cash inflows during the six months ended June 30, 2021 related to the completion of the Group's Series C fundraising activities.

Funding Requirements

Since our inception, we have incurred significant losses due to our research and development expenses. We expect to continue to incur significant losses in the foreseeable future and expect our expenses to increase in connection with our ongoing operations, particularly as we advance our product candidates into clinical development and commercialisation.

We believe that our existing cash, cash equivalents and short term bank deposits will be sufficient to fund our operations and capital expenditure requirements for the foreseeable future.

We may need to obtain additional financing to fund our future operations, including completing the development and commercialisation of our drug candidates. We are subject to risks related to the development and commercialisation of pharmaceutical products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. Our forecast of sufficient financial runway to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors. Our future capital requirements will depend on many factors, including, but not limited to:

- progress, timing, scope and costs of our clinical trials, including the ability to timely initiate clinical sites, enrol subjects and manufacture drug candidates for our ongoing, planned and potential future clinical trials;
- time and costs required to perform research and development to identify and characterise new drug candidates from our research programmes;
- time and costs necessary to obtain regulatory authorisations and approvals that are required to execute clinical trials or commercialise our products;
- our ability to successfully commercialise our drug candidates, if approved;
- our ability to have clinical and commercial products successfully manufactured consistent with the regulations of the U.S. Food and Drug Administration, the European Medicines Agency and other applicable regulatory authorities;
- amount of sales and other revenues from drug candidates that we may commercialise, if any, including the selling prices for such potential products and the availability of adequate third-party coverage and reimbursement for patients;
- sales and marketing costs associated with commercialising our products, if approved, including the cost and timing of building our marketing and sales capabilities;
- terms and timing of any revenue from our existing and future collaborations;
- costs of operating as a public company;
- time and cost necessary to respond to technological, regulatory, political and market developments;
- costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- costs associated with, and terms and timing of, any potential acquisitions, strategic collaborations, licensing agreements or other arrangements that we may establish; and
- inability of clinical sites to enrol patients as healthcare capacities are required to cope with natural disasters or other health system emergencies, such as the COVID-19 pandemic.

The outcome of any of these or other variables with respect to the development of any of our current and future drug candidates could significantly change the costs and timing associated with the development and commercialisation of that drug candidate. Furthermore, our operating plans may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such operating plans.

Critical Accounting Policies and Significant Judgements and Estimates

Our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021 are prepared in compliance with IAS 34, as issued by the IASB. The preparation of the consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the value of assets and liabilities — as well as contingent assets and liabilities — as reported on the statement of financial position date, and revenues and expenses arising during the fiscal year. We describe our significant accounting policies and judgements in Note 2e, “Significant accounting policies” and Note 3 “Critical Accounting estimates and judgements” in our unaudited condensed consolidated financial statements for the three months and six ended June 30, 2022 and 2021.

Exscientia Business Update for Second Quarter and First Half 2022

OXFORD, U.K. - Exscientia plc (Nasdaq: EXAI)

Recent developments in the Company's pipeline, collaborations, and operations, as well as financial results for the second quarter and first half 2022, are summarised below. In addition, Exscientia will host a **conference call Thursday, August 18 at 1:30 p.m. BST / 8:30 a.m. ET** to provide an overview of the company's pipeline and corporate strategy.

"In the first half of 2022, we delivered on major new and existing collaborations, advanced our pipeline programmes, and marked the 10-year anniversary of Exscientia's founding. Over the past decade, we've pioneered an AI-driven approach to modernising drug discovery and development, and it was fitting that this quarter we also announced topline data from our EXS-21546 programme, one of the first AI-designed molecules to enter clinical trials," said Andrew Hopkins, D.Phil., Exscientia's founder and Chief Executive Officer. "With over \$730 million in cash, we believe we are in a strong position to deliver across our portfolio of drug projects for the long-term. Our strategy creates an agile interplay between our internal pipeline and partnered programmes, enabling us to move candidates between the two depending on the best fit for Exscientia and our partners, as well as how we can best impact the probability of success for patients."

Recent Highlights

Progress across internal and partnered pipeline, leveraging the Company's precision medicine platform, as well as key components of Exscientia's technology and operations.

Internal pipeline

Wholly, majority and co-owned programmes focused on areas in which Exscientia believes it can improve the probability of success, including precision oncology

- Following topline data in June, the Company remains on track to initiate a Phase 1b/2 study of EXS-21546 (majority owned with Evotec) in the second half of 2022
 - Phase 1b/2 study will be optimised with simulation-guided clinical trial design principles as well as leverage Exscientia's precision medicine platform to maximise potential impact to the most relevant patients
- GTAEXS-617 (co-owned with GT Apeiron) CTA submission expected by year-end 2022
 - CTA and IND-enabling studies are ongoing, including translational work to support planned clinical trials expected to start in the first half of 2023

Partnered programmes

Utilising a scalable end-to-end platform to advance a broad pipeline, while also generating significant cash inflows to support advancements

- First two targets identified in new Sanofi collaboration for oncology and inflammation & immunity, respectively
 - First precision medicine project initiated; focused on patient enrichment for a Sanofi biologic in oncology
 - Advancing Bristol Myers Squibb (BMS) collaboration with continued progress across both BMS1 and BMS2 collaborations
 - Following the achievement of recent successful drug discovery milestone, Exscientia and Bayer have mutually agreed to end collaboration; Exscientia will retain optionality to develop one of the two targets pursued under the collaboration
 - The Bayer agreement was the last Exscientia partnership based on AI-only design services, which included lower economics and reduced operational involvement in comparison with more recent partnerships
 - This update aligns with Company strategy to increasingly focus on programmes where Exscientia's AI design, experimental biology and precision medicine platforms can be integrated
-

Recent clinical progress highlights ability of the Company's advanced, AI-based platform to create novel molecules with high level of translatability to human biology

- Announced topline data from EXS-21546 Phase 1a healthy volunteer study in June 2022
 - The study demonstrated that observed human pharmacokinetics for EXS-21546 were in line with what had been designed for and predicted in preclinical modelling, supporting a twice-daily (BID) dose for continuous A_{2A} receptor inhibition over a dosing interval
 - EXS-21546 signalled inhibition of A_{2A} receptor was sustained over the BID dosing period, demonstrating a level of lasting target engagement
 - EXS-21546 was well-tolerated with no CNS adverse events reported in the SAD portion at all doses (30mg, 90mg, 250mg, 400mg) and in the MAD portion at 150mg BID

Exscientia's approach allows for significant cash inflows to drive the business

- \$111.0 million cash flow from collaborations in second quarter 2022, including \$100.0 million from Sanofi, ending the first half 2022 with \$732.0 million in cash, cash equivalents and short-term bank deposits
 - Includes constant currency mark-to-market foreign exchange impact of negative 8%
 - During the quarter, Exscientia recognised realised foreign exchange gains net of forward contract settlements of \$14.0 million. The Company holds its deposits in both GBP and USD intended to match expected cash needs while limiting the impact of exchange rate fluctuations
- Second quarter 2022 net positive cash inflows from operations of \$72.9 million

Expanded leadership team in critical growth areas

- Eileen Jennings-Brown joined as Exscientia's Chief Information Officer, reporting to Garry Pairaudeau, Chief Technology Officer, and responsible for overseeing IT and DevOps. Ms. Jennings-Brown brings more than 25 years of experience across IT roles, including most recently heading technology for the Wellcome Trust.
- Charlotte Deane, Ph.D., Chief Scientist of Biologics AI, who joined Exscientia in January 2022, was awarded an appointment to the Most Excellent Order of the British Empire (MBE) for leading the UK Research and Innovation's rapid response call for projects addressing issues arising from the pandemic.

Select peer-reviewed publications and scientific meeting presentations during the quarter

- "[Coverage Score: A Model Agnostic Method to Efficiently Explore Chemical Space](#)," was published in the *Journal of Chemical Information and Modeling* in July 2022. This advancement in active learning allows more efficient exploration of chemical space, potentially leading to increased diversity of candidates, faster model improvement and shorter time to candidate identification
- "[Surface Plasmon Resonance Screening to Identify Active and Selective Adenosine Receptor Binding Fragments](#)," a study which further validates Exscientia's innovative biosensor approach to screening wildtype GPCR targets to advance drug discovery, was published in the *ACS Medicinal Chemistry Letters* in June 2022
- [Three posters](#) presented at the AACR Annual Meeting in April, highlighting Exscientia's human tissue precision medicine platform, including potential benefits of Exscientia's AI-driven design to overcome known issues such as potency, toxicity and selectivity and improve patient outcomes

Investor call and webcast information

Exscientia will host a conference call on Thursday, August 18 at 1:30 p.m. BST / 8:30 a.m. ET. A webcast of the live call can be accessed by visiting the "Investors and Media" section of the Company's website at investors.exscientia.ai. Alternatively, the live conference call can be accessed

by dialling +1 (888) 330 3292 (U.S.), +44 203 433 3846 (U.K.), +1 (646) 960 0857 (International) and entering the conference ID: 8333895. A replay will be available for 90 days under "Events and Presentations" in the "Investors and Media" section of the [Exscientia website](#).

Second quarter and first half 2022 financial results

For the convenience of the reader, the Company has translated pound sterling amounts to U.S. dollars at the rate of £1.000 to \$1.2162, which was the noon buying rate of the Federal Reserve Bank of New York on June 30, 2022.

Revenue: Recognised revenue for the three and six months ended June 30, 2022, was \$8.7 million and \$17.2 million respectively, representing an increase of \$8.3 million and \$10.4 million compared to the three and six months ended June 30, 2021, primarily due to delivery on an increased number of projects across our second collaboration with BMS, revenues generated from the extension of the BMS agreement to leverage Exscientia's precision medicine platform, and recognition of remaining revenues following the termination of the Bayer agreement.

R&D and cost of drug discovery: Due to various collaboration structures, expenditure incurred in relation to research and development activities may be recognised within one of several financial statement captions. The tables below show how these expenses are separated across the accounting categories.

Three months ended June 30, 2022 (\$ millions):

	COGS	R&D	Share of JV loss	Total
Partnered Programmes	10.9	–	–	10.9
Internal Pipeline and Technology Development	–	40.2	0.3	40.5
Total	10.9	40.2	0.3	51.4

Six months ended June 30, 2022 (\$ millions):

	COGS	R&D	Share of JV loss	Total
Partnered Programmes	17.7	–	–	17.7
Internal Pipeline and Technology Development	–	68.8	0.7	69.5
Total	17.7	68.8	0.7	87.2

Research and development expenses: R&D expenses for the three and six months ended June 30, 2022, were \$40.2 million and \$68.8 million respectively, as compared to \$9.9 million and \$15.1 million for the same period ended June 30, 2021. The increase in research and development expenses was in part due to the growth of Exscientia's internal and co-owned portfolio, in addition to increased headcount and other costs associated with the Company's continued technology investments. Share-based compensation accounted for \$9.1 million and \$12.1 million for the quarter and half year ended June 30, 2022, as compared to \$1.6 million and \$1.9 million for the same period ended June 30, 2021.

General and administrative expenses: G&A expenses for the three and six months ended June 30, 2022, were \$14.7 million and \$24.2 million respectively, or 22.3% and 21.9% respectively of total operating expenses. For the three and six months ended June 30, 2022, G&A expenses increased by \$5.6 million and \$11.1 million compared to the three and six months ended June 30, 2021, primarily associated with an increase in personnel costs and additional costs incurred in relation to the operation of a listed company. Share-based compensation accounted for \$3.3 million and \$4.6 million for the quarter and half year ended June 30, 2022, as compared to \$1.7 million and \$2.0 million for the same periods ended June 30, 2021.

Cash inflows: For the second quarter 2022, Exscientia received \$111.0 million in cash inflows from its collaborations as compared to \$39.5 million during the second quarter 2021.

Cash, cash equivalents and bank deposits: Cash, cash equivalents and bank deposits as of June 30, 2022, were \$732.0 million as compared to \$683.7 million as of December 31, 2022. This includes a 12-month fixed term deposit of \$121.7 million.

SELECTED CONSOLIDATED STATEMENT OF OPERATIONS, CONSTANT CURRENCY CONVERSION (unaudited)

(\$ millions, except per share data, at the rate of £1.000 to \$1.2162)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Revenue	8.7	0.4	17.2	6.8
Cost of sales	(10.9)	(4.4)	(17.7)	(9.1)
Research and development expenses	(40.2)	(10.0)	(68.8)	(15.1)
General and administrative expenses	(14.7)	(9.1)	(24.2)	(13.1)
Operating expenses	(65.8)	(23.5)	(110.7)	(37.3)
Foreign exchange gains/(losses)	27.7	(3.4)	39.5	(3.5)
Loss on forward contracts	(13.7)	-	(13.7)	-
Other income	1.9	1.0	3.6	1.5
Operating loss	(41.2)	(25.5)	(64.1)	(32.5)
Finance income/(expense)	0.4	-	0.5	(0.1)
Share of loss on joint ventures	(0.3)	(0.5)	(0.7)	(0.9)
Gain on derivative financial instrument	0.0	1.7	-	1.7
Loss before taxation	(41.1)	(24.3)	(64.3)	(31.8)
Income tax benefit	6.3	1.7	10.6	2.6
Loss for the period	(34.8)	(22.6)	(53.7)	(29.2)
Net loss per share	(0.29)	(0.86)	(0.44)	(1.02)

SELECTED CONSOLIDATED BALANCE SHEET, CONSTANT CURRENCY CONVERSION (unaudited)

(\$ millions, except per share data, at the rate of £1.000 to \$1.2162)

	June 30, 2022	December 31, 2021
Cash, cash equivalents & short-term bank deposits	732.0	683.7
Total assets	849.0	779.2
Total equity	650.8	689.4
Total liabilities	198.2	89.8
Total equity and liabilities	849.0	779.2

SELECTED CONSOLIDATED STATEMENT OF CASH FLOWS. CONSTANT CURRENCY CONVERSION (unaudited)

(\$ millions, except per share data, at the rate of £1.000 to \$1.2162)

	June 30, 2022	June 30, 2021
Net cash flows from operating activities	63.3	4.5
Net cash flows used in investing activities	(133.1)	(4.2)
Net cash flows from financing activities	(3.7)	222.3
Net (decrease)/increase in cash and cash equivalents	(73.5)	222.6
Net increase in cash, cash equivalents and short-term bank deposits	48.2	222.6

About Exscientia

Exscientia is an AI-driven pharmatech company committed to discovering, designing and developing the best possible drugs in the fastest and most effective manner. Exscientia developed the first-ever functional precision oncology platform to successfully guide treatment selection and improve patient outcomes in a prospective interventional clinical study, as well as to progress AI-designed small molecules into the clinical setting. Our internal pipeline is focused on leveraging our precision medicine platform in oncology, while our partnered pipeline broadens our approach to other therapeutic areas. By pioneering a new approach to medicine creation, we believe the best ideas of science can rapidly become the best medicines for patients.

Exscientia is headquartered in Oxford (England, U.K.), with offices in Vienna (Austria), Dundee (Scotland, U.K.), Boston (Mass., U.S.), Miami (Fla., U.S.), Cambridge (England, U.K.), and Osaka (Japan).

For more information visit us on <https://www.exscientia.ai> or follow us on Twitter [@exscientiaAI](https://twitter.com/exscientiaAI).

Forward-looking statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, including with respect to the progress of discovery and development of candidate molecules, and the timing and progress of, and data reported from, clinical trials of Exscientia's product candidates, and Exscientia's expectations regarding its projected revenue and cash runway. Any statement describing Exscientia's goals, plans, expectations, financial or other projections, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to a number of risks, uncertainties and assumptions, including those related to: the impact that the COVID-19 pandemic could have on the Company's business, including the scope, progress and expansion of Exscientia's product development efforts; the initiation, scope and progress of Exscientia's and its partners' planned and ongoing pre-clinical studies and clinical trials and ramifications for the cost thereof; clinical, scientific, regulatory and technical developments; the process of discovering, developing and commercialising product candidates that are safe and effective for use as human therapeutics; and the endeavour of building a business around such product candidates. In light of these risks and uncertainties, and other risks and uncertainties that are described in the Risk Factors section and other sections of Exscientia's Annual Report on Form 20-F, filed with the Securities and Exchange Commission (SEC) on March 23, 2022 (File No. 001-40850), and other filings that Exscientia makes with the SEC from time to time (which are available at <https://www.sec.gov/>), the events and circumstances discussed in such forward-looking statements may not occur, and Exscientia's actual results could differ materially and adversely from those anticipated or implied thereby. Although Exscientia's forward-looking statements reflect the good faith judgment of its management, these statements are based only on facts and factors currently known by the Company. As a result, you are cautioned not to rely on these forward-looking statements.

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Exscientia 1H 2022 Business Update

CASH AND CASH EQUIVALENTS

Cash and cash equivalents
as of June 30, 2022:
\$732.0 million*

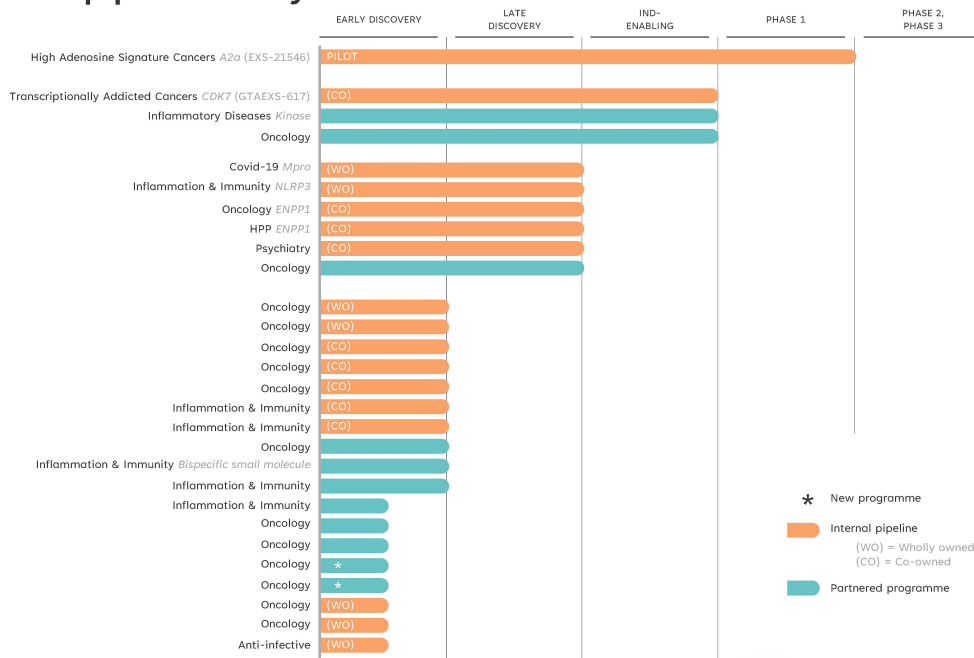
Cash inflows from
collaborations in 1H 2022:
\$117.3 million

OPERATING CASH FLOW

1H 22 net cash inflows
from operations:
\$63.3 million

USD values based on constant currency. *includes fixed term bank deposits

Our pipeline today



Creating a consistent flow of high-quality targets

Integrated capabilities drive new discoveries

>35%

of pipeline generated using
Exscientia target ID platforms



Experimental

CELLGOMICS

Launched 2022,
open-source programme
in collaboration with the
University of Oxford

Focus on phenotypic assays

AI CENTAUR BIOLOGIST*

Applies deep learning to
genome-scale datasets to
identify connections and
predict target-disease
associations

Global knowledge graphs

Experimental + AI PRECISION MEDICINE



Proprietary human tissue platform
Single cell phenotypic screening to
ID novel targets

70%
of oncology targets
tested on platform

Percentages as of June 2022