UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 19, 2024

RECURSION PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-40323**	**46-4099738**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

41 S Rio Grande Street
Salt Lake City, UT 84101
(Address of principal executive offices) (Zip code)

(385) 269 - 0203
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.00001 per share	RXRX	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Introductory Note

As previously disclosed, Recursion Pharmaceuticals, Inc., a Delaware corporation (the "Company"), entered into the Transaction Agreement, dated as of August 8, 2024, by and between the Company and Exscientia plc, a public limited company incorporated under the laws of England and Wales with registered number 13483814 ("Exscientia"), as amended by the First Amendment to the Transaction Agreement (the "First Amendment"), dated as of November 5, 2024 (as amended, the "Transaction Agreement").

This Current Report on Form 8-K is being filed in connection with the completion on November 20, 2024 of the transactions contemplated by the Transaction Agreement pursuant to which the Company acquired the entire issued and to be issued share capital of Exscientia (the "Transaction") pursuant to a scheme of arrangement under Part 26 of the United Kingdom Companies Act 2006 (the "Scheme of Arrangement").

Item 2.01. Completion of Acquisition or Disposition of Assets.

Under the Transaction Agreement, the Transaction was conditioned on, among other things, the sanction of the Scheme of Arrangement by the High Court of Justice of England and Wales (the "Court"). On November 19, 2024, the Court issued an order sanctioning the Scheme of Arrangement. Upon the delivery of such order to the Registrar of Companies in England and Wales on November 20, 2024 (the "Effective Time"), the Scheme of Arrangement became effective. As a result, at the Effective Time, the Company acquired the entire issued and to be issued share capital of Exscientia in accordance with the terms of the Transaction Agreement and the Scheme of Arrangement, and Exscientia became a wholly owned subsidiary of the Company.

Pursuant to the Transaction Agreement and the Scheme of Arrangement, at the Effective Time, each ordinary share in Exscientia, each with a nominal value £0.0005 per share (an "Exscientia Ordinary Share") outstanding as of the Effective Time (each a "Scheme Share") was acquired by Recursion (or, at Recursion's direction, by a nominee) from the holders of the Scheme Shares (each a "Scheme Shareholder") in exchange for 0.7729 shares of Class A Common Stock (the "Company Class A Common Stock") of the Company, par value of $0.00001 per share (the "Share Deliverable" and collectively the "Exchange Shares", and the ratio that each Share Deliverable bears to each Scheme Share being the "Exchange Ratio"). Because each American Depositary Share in Exscientia represents a beneficial interest in one Exscientia Ordinary Share (an "Exscientia ADS"), holders of Exscientia ADSs are entitled to receive an amount of Exchange Shares equal to the Share Deliverable per Exscientia ADS. In connection with the Transaction, 102,138,419 shares of Company Class A Common Stock were issued to such Scheme Shareholders, including in respect of the Exscientia ADSs. In connection with the completion of the Transaction, the Exscientia ADSs, which previously traded under the symbol "EXAI," ceased trading on Nasdaq and will be delisted from Nasdaq.

At the Effective Time, and in compliance with and subject to the terms and limitations set out in the Transaction Agreement:

- each option to acquire Exscientia Ordinary Shares or Exscientia ADSs under Exscientia's stock plans (each such option a "Exscientia Share Option") that was outstanding and unexercised as of immediately prior to the Effective Time and that was held by a continuing service provider (each, an "Assumed Exscientia Option") ceased to represent a right to acquire Exscientia ADSs or

Exscientia Ordinary Shares, as applicable, and was converted into an option to acquire shares of Company Class A Common Stock (each such option, a "Company Option") on the same terms and conditions (including applicable vesting, exercise and expiration provisions, and subject to the severance and retention plan adopted by Exscientia in connection with the Transaction ("Retention Plan")) as applied to such Assumed Exscientia Option immediately prior to the Effective Time; provided that: (i) the number of shares of Company Class A Common Stock subject to each Company Option was determined by multiplying: (A) the number of Exscientia ADSs or Exscientia Ordinary Shares, as applicable, underlying such Exscientia Share Option immediately prior to the Effective Time by (B) the Exchange Ratio, and rounding such product down to the nearest whole share; and (ii) the per share exercise price for each Company Option was determined by dividing: (A) the per share exercise price of such Assumed Exscientia Option immediately prior to the Effective Time by (B) the Exchange Ratio, and rounding such quotient up to the nearest whole cent;

- each Exscientia Share Option that was outstanding and unexercised as of immediately prior to the Effective Time and was not an Assumed Exscientia Option was canceled and converted into the right to receive a number of shares of Company Class A Common Stock (rounded down to the nearest whole share) equal to (i) the product of (A) the number of Exscientia ADSs or Exscientia Ordinary Shares, as applicable, underlying the portion of such Exscientia Share Option that was vested (including vesting pursuant to the Retention Plan) as of immediately prior to the Effective Time, multiplied by (B) the Exchange Ratio, less (ii) a number of shares of Company Class A Common Stock equal to the quotient obtained by dividing (A) the sum of the aggregate per share exercise price of such Exscientia Share Option plus applicable tax withholding amount and other authorized deductions arising from the treatment of the Exscientia Share Options pursuant to the Transaction Agreement, by (B) the closing price of a share of Company Class A Common Stock on the closing date of the Transaction (the "Company Stock Price");

- each award of restricted stock units representing the right to receive Exscientia Ordinary Shares or Exscientia ADSs granted under Exscientia's stock plans (each unit, an "Exscientia RSU") that was outstanding and unvested as of immediately prior to the Effective Time and that was held by a continuing service provider (each such Exscientia RSU, an "Assumed Exscientia RSU") ceased to represent a right to acquire Exscientia ADSs, or Exscientia Ordinary Shares, as applicable, and was converted into an award of restricted stock units covering shares of Company Class A Common Stock (each unit, a "Company RSU") on the same terms and conditions (including applicable vesting provisions, and subject to the Retention Plan, and once vested, each award of Company RSUs will be settled only in shares of Company Class A Common Stock) as applied to such award of Assumed Exscientia RSUs immediately prior to the Effective Time; provided that the number of shares of Company Class A Common Stock subject to each such award of Company RSUs was determined by multiplying: (x) the number of Exscientia ADSs or Exscientia Ordinary Shares, as applicable, underlying such award of Assumed Exscientia RSUs immediately prior to the Effective Time by (y) the Exchange Ratio, and rounding such product down to the nearest whole share; and

- each award of Exscientia RSUs that was outstanding as of immediately prior to the Effective Time and was not an Assumed Company RSU was canceled and converted into the right to receive a number of shares of Company Class A Common Stock (rounded down to the nearest whole share) equal to (i) the product of (A) the number of Exscientia ADSs or Exscientia Ordinary Shares, as applicable, underlying the portion of such Exscientia RSU award that was vested immediately prior to the Effective Time and (B) the Exchange Ratio, less (ii) a number of shares of Company Class A Common Stock equal to the quotient obtained by dividing (A) the applicable tax withholding amount and other authorized deductions arising from the treatment of the Exscientia RSUs pursuant to the Transaction Agreement, by (B) the Company Stock Price.

For purposes of the treatment of Exscientia Share Options and awards of Exscientia RSUs described above, to the extent such an equity award was subject to performance-vesting conditions, such performance-vesting conditions were deemed achieved at the greater of (i) the target level of achievement of all relevant performance goals in accordance with the applicable award agreement relating thereto or (ii) the actual level of achievement of all relevant performance goals against target as of Exscientia's fiscal quarter-end immediately preceding the closing of the Transaction, and only that portion of such equity award became a Company Option, an award of Company RSUs, or the right to receive shares of Company Class A Common Stock, as applicable. The remaining portion of such equity award, if any, was immediately forfeited (solely with respect to the unvested portion).

The foregoing description of the Transaction Agreement contained in this Item 2.01 does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Transaction Agreement, including the First Amendment. A copy of the initial Transaction Agreement was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission (the "SEC") on August 8, 2024 and a copy of the First Amendment was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the SEC on November 6, 2024, each of which is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Director Appointment

Under the Transaction Agreement, Exscientia had the right to designate one member of the board of directors of Exscientia, subject to approval of the Board of Directors (the "Board") of the Company in compliance with fiduciary duties under applicable law, to serve as a member of the Board following the completion of the Transaction.

Effective as of the Effective Time, in connection with Exscientia's right to designate one member of the board of directors of Exscientia to serve as a member of the Board under the terms of the Transaction Agreement, the Board increased the number of members of the Board from 7 to 8 and appointed Franziska Michor, Ph.D., ("Dr. Michor") as a Class II Director of the Board, with her initial term to extend until the 2026 Annual Meeting of Stockholders. Dr. Michor has not yet been appointed to any committee of the Board.

As a non-employee director, Dr. Michor will receive cash and equity compensation paid by the Company pursuant to its Outside Director Compensation Policy, which is described under the caption "Director Compensation" in the Company's definitive proxy statement on Schedule 14A filed with the SEC on April 23, 2024, as adjusted by the Board from time to time, and Dr. Michor will enter into an indemnification agreement with the Company on the Company's standard form of indemnification agreement for officers and directors.

There are no transactions in which Dr. Michor has a direct or indirect material interest requiring disclosure under Item 404(a) of Regulation S-K. Other than the arrangements under the Transaction Agreement described above, there is no arrangement or understanding between Dr. Michor and any other person pursuant to which Dr. Michor was selected as a director of the Company.

Executive Officer Changes

Michael Secora

On November 20, 2024, the Company announced that Michael Secora ("Dr. Secora"), Chief Financial Officer of the Company, will be transitioning from his role as Chief Financial Officer, effective as of November 20, 2024. Dr. Secora is expected to continue his employment with the Company as an Executive Advisor of the Company for a transition period from November 20, 2024 through December 31,

2024. Dr. Secora will continue to receive the same monthly base salary and benefits as in effect as of November 20, 2024.

On or about December 31, 2024 (or, if earlier, the date he separates from the Company) (the "Secora Separation Date"), Dr. Secora is expected to enter into a separation agreement and release of claims in favor of the Company and other released parties (the "Secora Agreement") under which he will become entitled to receive the severance benefits under the Company's Executive Change in Control and Severance Plan (the "Severance Plan") and a participation agreement setting forth the terms of the Severance Plan ("Participation Agreement"), which include (i) a lump sum payment equal to $356,250 which is equivalent to 9 months of his annual base salary, and (ii) reimbursement of continued health coverage under COBRA for a period of up to 9 months following his Secora Separation Date (or a taxable lump sum payment in lieu of the COBRA reimbursement). In addition, Dr. Secora will receive a bonus under the Company's 2024 bonus plan (the "2024 Bonus Plan") equal to (i) a lump sum cash payment of $95,000, which represents 20% of his annual base salary, and (ii) $95,000, which represents 20% of his annual base salary, payable in Company restricted stock units (with the value converted into a number of restricted stock units determined in accordance with the Company's equity grant procedures), which vest on the effective date of the Secora Agreement. All of the severance benefits described in this paragraph are subject to Dr. Secora's signing and not revoking the Secora Agreement and complying with various post-employment obligations.

The foregoing description of the Secora Agreement is not complete and is qualified in its entirety by reference to the full text of such agreement. The Company intends to file such agreement as an exhibit to the Company's annual report filed on Form 10-K for the Company's fiscal year ending December 31, 2024.

Ben Taylor

On November 20, 2024, the Board appointed Ben Taylor ("Mr. Taylor"), age 47, as Chief Financial Officer of the Company and President of Recursion UK, effective as of November 20, 2024. Prior to such appointment, Mr. Taylor served as Chief Financial and Strategy Officer and a member of the board of directors of Exscientia since November 2020. Mr. Taylor has more than two decades of experience, including 15 years in healthcare investment banking, primarily at Goldman Sachs & Co. LLC, or Goldman Sachs, and seven years in biotech and healthtech executive roles. During this period, Mr. Taylor focused on strategy, financings, communications, clinical development and business development in the biopharmaceutical industry. Prior to joining Exscientia, Mr. Taylor was interim Chief Financial Officer at Aetion, Inc., a healthtech company using real world data analytics to optimise biopharma clinical development and commercialisation, from April 2020 to November 2020. Mr. Taylor served as President and Chief Financial Officer for Tyme Technologies, Inc., where he oversaw operations for the oncology company from April 2017 to August 2020. Mr. Taylor served as Head of Commercial Pharma, Managing Director for Barclays Capital Inc. from February 2016 to March 2017 and in a variety of roles with Goldman Sachs from July 2006 to February 2016. He received a B.A. with Honors from Brown University in East Asian Studies.

As of November 20, 2024, Mr. Taylor will receive compensation and benefits as set forth under the amended and restated employment agreement that he entered into with an affiliate of Exscientia in October 2021, including a 2024 gross annual base salary of £340,000, a 2024 annual performance bonus with a target amount of 45% of his annual base salary, and severance and change in control benefits in the event his employment terminates under certain circumstances as described in the section entitled "Interests of Exscientia's Directors and Executive Officers in the Transaction" in the joint proxy statement on Form DEFM 14A filed October 10, 2024. Mr. Taylor's Assumed Exscientia Options and Assumed Exscientia RSUs will continue to vest in accordance with their terms.

There is no arrangement or understanding with any person pursuant to which Mr. Taylor is being appointed as Chief Financial Officer of the Company and President of Recursion UK. There are no family relationships between Mr. Taylor and any director or executive officer of the Company. There are no transactions in which Mr. Taylor has a direct or indirect material interest requiring disclosure under Item 404(a) of Regulation S-K.

The foregoing description of the terms of Mr. Taylor's employment agreement is not complete and is qualified in its entirety by reference to the full text of such agreement. The Company intends to file such agreement as an exhibit to the Company's annual report filed on Form 10-K for the Company's fiscal year ending December 31, 2024.

Tina Marriott

On November 20, 2024, the Company announced that Tina Marriott ("Ms. Marriott"), President and Chief Operating Officer of the Company, will be transitioning from such positions, effective as of November 20, 2024. Ms. Marriott is expected to continue her employment with the Company as an Executive Advisor of the Company for a transition period (such period, the "Marriott Transition Period") from November 20, 2024 through August 31, 2025 (or, if earlier, the actual date she separates from the Company) (such date, the "Marriott Separation Date").

In connection with this transition, Ms. Marriott is expected to enter into a transition agreement and release with the Company ("Marriott Transition Agreement") under which Ms. Marriott will receive during the Transition Period: (i) continuation of her monthly base salary as in effect as of November 20, 2024, (ii) the bonus under the Company's 2024 Bonus Plan that she is entitled to receive, and settled 50% in cash and 50% in Company restricted stock units, in each case payable at the same time as the Company's other senior executive bonus payments under the 2024 Bonus Plan and subject to Ms. Marriott remaining employed through the applicable payment date ("2024 Bonus Plan Payment Date"), and (iii) her continued vesting of her Company equity awards in accordance with the original vesting schedule, provided that she remains as a service provider through each vesting date. If Ms. Marriott signs and does not revoke the Transition Agreement, and Ms. Marriott's employment is terminated prior to August 31, 2025 for any reason other than Cause(as defined in the Severance Plan), then, subject to Ms. Marriott signing and not revoking a supplemental release of claims against the Company and complying with various post-employment obligations (the "Marriott Supplemental Release"), (i) the Company will pay Ms. Marriott the base salary she would have received had she remained employed through August 31, 2025, (ii) if Ms. Marriott validly elects and is eligible to continue health coverage under COBRA, the Company will reimburse her the total applicable premium cost for her continued group health plan coverage under COBRA for herself and any spouse and/or dependents ("COBRA Premium") for the period of time beginning on her termination of employment until August 31, 2025, or if the reimbursement of the COBRA Premium would violate any applicable laws, in lieu of the reimbursement, the Company may provide Ms. Marriott with a lump sum payment equal to the COBRA Premium (on an after-tax basis), which would be made regardless of whether she elects COBRA continuation coverage, and (iii) if Ms. Marriott's termination occurs prior to the 2024 Bonus Plan Payment Date, Ms. Marriott will receive a bonus amount under the 2024 Bonus Plan as follows: (1) a lump sum cash payment equal to 20% of her annual base salary in effect immediately prior to her termination date, and (2) a payment equal to 20% of her annual base salary in effect immediately prior to her separation date payable in Company restricted stock units (with the value converted into a number of restricted stock units as determined in accordance with the Company's equity grant procedures) and which vest on the effective date of the Marriott Supplemental Release. If she timely signs and does not revoke both the Marriott Transition Agreement and the Marriott Supplemental Release on or following the Marriott Separation Date, Ms. Marriott will receive a lump sum cash payment of five thousand dollars.

The foregoing summary of the Marriott Transition Agreement is subject to, and qualified in its entirety by, the full text of such agreement, which will be filed as an exhibit to the Company's annual report filed on Form 10-K for the Company's fiscal year ending December 31, 2024.

Christopher Gibson

On November 19, 2024, the Board appointed Christopher Gibson, Ph.D. ("Dr. Gibson"), age 41, current Chief Executive Officer of the Company and a member of the Board, to serve also as President of the Company, effective as of November 20, 2024. Dr. Gibson has been Chief Executive Officer since the Company's founding in November 2013. Previously, Dr. Gibson was an M.D./Ph.D. student at the University of Utah. After obtaining his Ph.D., he withdrew from medical school to found Recursion. He has undergraduate degrees in bioengineering (B.S.) and managerial studies (B.A.) from Rice University. He

has served as a Founding Chairman of the Board of BioHive (the Utah life science collective and branding effort, composed of therapeutics, diagnostics, medical device and health IT companies, along with the companies that support them and the public sector) since November 2020. He also serves as a Board member of the Recursion Foundation (the Company's not-for-profit entity seeking to promote corporate social responsibility) since November 2019, through which he is on the Board of Altitude Lab (an incubator/accelerator focused on creating the next generation of diverse biotech founder in Utah) since July 2020. Dr. Gibson is co-author of more than a dozen peer-reviewed studies in a variety of journals including Nature, Nature Protocols, Circulation, the Journal of Clinical Investigation, Molecular Pharmaceutics, PloS One, and Diabetes.

There is no arrangement or understanding with any person pursuant to which Dr. Gibson is being appointed as President. There are no family relationships between Dr. Gibson and any director or executive officer of the Company. There are no transactions in which Dr. Gibson has a direct or indirect material interest requiring disclosure under Item 404(a) of Regulation S-K.

Adoption of 2024 Inducement Equity Incentive Plan

Effective November 20, 2024, the Board adopted the Recursion Pharmaceuticals, Inc. 2024 Inducement Equity Incentive Plan (the "Inducement Plan") and, subject to the adjustment provisions of the Inducement Plan, reserved 17,500,000 shares of the Company's Class A common stock for issuance pursuant to equity awards granted under the Inducement Plan.

The Inducement Plan was adopted without stockholder approval pursuant to the applicable Nasdaq Listing Rules. The Inducement Plan provides for the grant of equity-based awards, including nonstatutory stock options, restricted stock units, restricted stock, stock appreciation rights, performance shares and performance stock units, and its terms are substantially similar to the Company's 2021 Equity Incentive Plan (the "2021 Plan"), including with respect to treatment of equity awards in the event of a "merger" or "change in control" as defined under the Inducement Plan, but with such other terms and conditions intended to comply with the NASDAQ inducement award exception.

In accordance with the Nasdaq Listing Rules, awards under the Inducement Plan may only be made to individuals not previously employees or non-employee directors of the Company (or following such individuals' bona fide period of non-employment with the Company), as an inducement material to the individuals' entry into employment with the Company, including in connection with a merger or acquisition.

A copy of the Inducement Plan and related form agreements under the Inducement Plan are attached hereto as Exhibit 99.1 to this Current Report on Form 8-K. The above description of the Inducement Plan does not purport to be complete and is qualified in its entirety by reference to such exhibit.

Item 7.01. Regulation FD Disclosure.

On November 20, 2024, the Company released an updated corporate presentation to the investor section of the Company's website. A copy of the presentation is attached hereto as Exhibit 99.2 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference.

The information furnished pursuant to Item 7.01 (including Exhibit 99.2) on this Form 8-K, shall not be deemed "filed" for 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 into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

On November 20, 2024, the Company issued a press release announcing the completion of the Transaction. A copy of the press release is attached hereto as Exhibit 99.3 and is incorporated by reference herein.

Executive Team Changes

Effective November 20, 2024, the Board made the following changes to its executive team in addition to those reported in Item 5.02 of this Current Report on Form 8-K:

- David Hallet, former Interim Chief Executive Officer of Exscientia, was appointed as Chief Scientific Officer of the Company.
- Kristen Rushton, Chief Business Operations Officer of the Company, was promoted to Chief Operating Officer of the Company.
- Matthew Kinn, Senior Vice President, Business Development and Corporate Initiatives, was promoted to serve as Chief Business Officer of the Company.
- Lina Nilsson, Senior Vice President, Emerging Technologies of the Company, was promoted to serve on the executive team as Senior Vice President, Head of Platform of the Company.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of business acquired

The audited consolidated statement of financial position of Exscientia as of and for the years ended December 31, 2023, and December 31, 2022, and the related consolidated statement of loss and other comprehensive (loss)/income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2023 were filed as Exhibit 99.3 to the Company's Current Report on Form 8-K on September 3, 2024 and is incorporated by reference herein.

The unaudited condensed consolidated financial statements of Exscientia as of September 30, 2024, and September 30, 2023, and for the three and nine months ended September 30, 2024, and September 30, 2023, and the notes related thereto are attached as Exhibit 99.4 hereto and is incorporated by reference herein.

(b) Pro forma financial information

The pro forma financial information required by this Item 6.01(b) is not included in this Current Report on Form 8-K. The Company intends to file such pro forma financial information by amendment to this Current Report on Form 8-K not later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

Item 9.01. Financial Statements and Exhibits.

Exhibit Number	Description
2.1*	Transaction Agreement by and between Recursion Pharmaceuticals, Inc. and Exscientia plc dated as of August 8, 2024 (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the SEC on August 8, 2024).
2.2	First Amendment to Transaction Agreement by and between Recursion Pharmaceuticals, Inc. and Exscientia plc dated as of November 5, 2024 (incorporated herein by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the SEC on November 6, 2024).
99.1	Recursion Pharmaceuticals, Inc. 2024 Inducement Equity Incentive Plan.
99.2	Investor Presentation of Recursion Pharmaceuticals, Inc. dated November 20, 2024.
99.3	Press Release of Recursion Pharmaceuticals, Inc. dated November 20, 2024.
99.4	Unaudited condensed consolidated financial statements of Exscientia as of September 30, 2024 and 2023 and for the three and nine months ended September 30, 2024 and 2023, and the notes related thereto.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

*Exhibits and/or schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally copies of any of the omitted exhibits and schedules upon request by the SEC; provided, however, that the registrant may request confidential treatment pursuant to Rule 24b-2 under the Exchange Act for any exhibits or schedules so furnished.

SIGNATURES

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 hereunto duly authorized.

Date: November 20, 2024.

RECURSION PHARMACEUTICALS, INC.

By: /s/ Christopher Gibson
Christopher Gibson
Chief Executive Officer

Recursion

Decoding Biology To Radically Improve Lives

NOVEMBER 2024

Important information

This presentation of Recursion Pharmaceuticals, Inc. ("Recursion," "we," "us," or "our") and any accompanying discussion contain statements that are not historical facts may be considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "should," "will," or words of similar meaning and include, but are not limited to, statements regarding bringing better medicines to patients more rapidly and more cost efficiently; the occurrence or realization of near-or medium-term potential milestones; current and future preclinical and clinical studies, including timelines for enrollment in studies, data readouts, and progression toward IND-enabling studies; Recursion's plans to present SYCAMORE trial data at a medical conference and submit the data for publication; Recursion's anticipated meeting with the FDA; the clinical relevance of the SYCAMORE trial data and obtaining additional confirmatory data; promising trends in REC-994 efficacy endpoints; advancing potential transformational therapies for CCM and beyond; subsequent REC-994 studies and their results and advancing Recursion's REC-994 program further; the size of the potential CCM patient population; outcomes and benefits from licenses, partnerships and collaborations, including option exercises by partners and the amount and timing of potential milestone payments; the initiation, timing, progress, results, and cost of our research and development programs; advancements of our Recursion OS, including augmentation of our dataset and movement toward autonomous discovery; outcomes and benefits expected from the Tempus and Helix relationships, including our building of large-scale causal AI models; outcomes and benefits expected from the Large Language Model-Orchestrated Workflow Engine (LOWE); the potential for additional partnerships and making data and tools available to third parties; expected supercomputer capabilities; our ability to identify viable new drug candidates for clinical development and the accelerating rate at which we expect to identify such candidates including our ability to leverage the datasets acquired through the license agreement into increased machine learning capabilities and accelerate clinical trial enrollment; the potential size of the market opportunity for our drug candidates; outcomes and benefits expected from the Enamine partnership, including the generating and co-branding of new chemical libraries; and many others. Such statements also include statements regarding the business combination of Recursion and Exscientia plc ("Exscientia") and the outlook for Recursion's future business and financial performance, including the combined company's First-in-Class and Best-in-Class opportunities; potential for annual peak sales from successful programs of over $1 billion each; potential milestone payments of the combined company of approximately $200 million over the next 2 years from current partnerships; potential for more than $20 billion in total milestone payments for the combined company from partners before royalties; ability to reduce pro forma spend of the combined company; revenue, business synergies, and reduced pro forma spend from the combination resulting in cash runway extending into 2027; and many others. Such forward-looking statements are based on the current beliefs of Recursion's management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward-looking statements based on a variety of risks and uncertainties including: the ability to realize the benefits of the business combination, including cost synergies; the ability to successfully integrate Exscientia's business with Recursion's business or to integrate the businesses within the anticipated timeframe; the amount of the costs, fees, expenses and charges related to the combination; the effect of economic, market or business conditions, including competition, regulatory approvals and commercializing drug candidates, or changes in such conditions, have on the Company's operations, revenue, cash flow, operating expenses, employee hiring and retention, relationships with business partners, the development or launch of technology enabled drug discovery, and commercializing drug candidates; the risks of conducting businesses internationally; the impact of potential inflation, volatility in foreign currency exchange rates and supply chain disruptions; the ability to maintain technology-enabled drug discovery in the biopharma industry; and risks relating to the market value of Recursion's common stock to be issued in the proposed transaction.

Other important factors and information are contained in Recursion's most recent Annual Report on Form 10-K, Recursion's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31 and June 30, and September 30, 2024, and the Company's other filings with the U.S. Securities and Exchange Commission (the "SEC"), which can be accessed at https://ir.recursion.com, or www.sec.gov. All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. Recursion does not undertake any obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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Post-Combination portfolio poised for value creation from a unified, AI-powered Operating System

1. Includes preclinical programs (programs expected to enter the clinic within the next 18 months).
2. Program milestones includes data readouts, preliminary data updates, regulatory submissions, trial initiation, etc.

Recursion

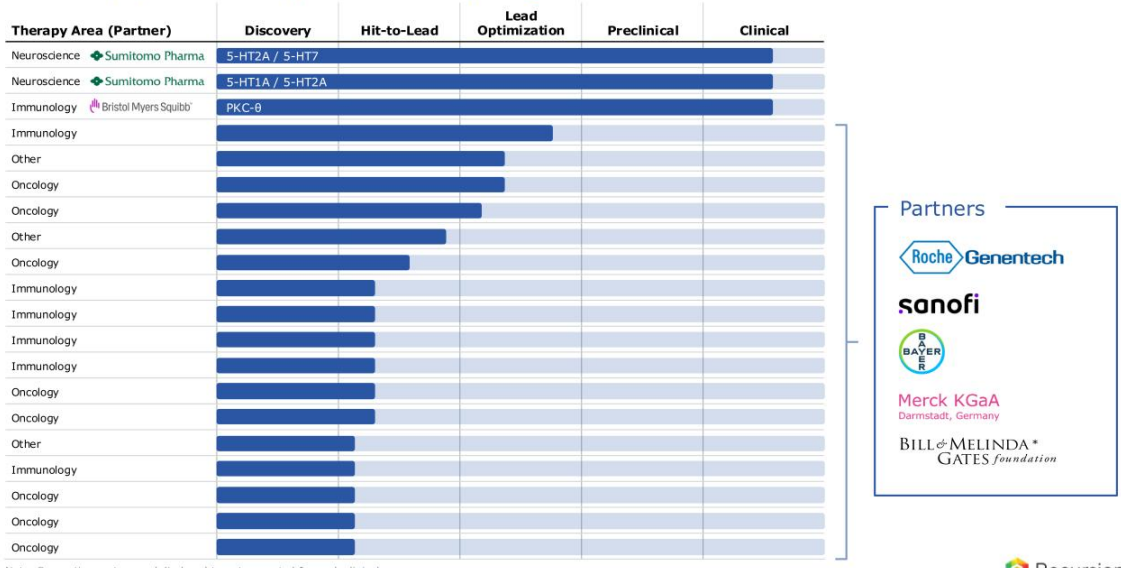
Pipeline of ~**10 clinical and preclinical** technology-enabled programs

	Candidate	Target	Indication	Preclinical	IND-Enabling	Phase 1/2	Pivotal / Phase 3	Next Anticipated Milestone
ONCOLOGY	REC-617[1]	**CDK7**	Advanced Solid Tumors[2]			ELUCIDATE		• Initial Ph1 monotherapy safety & PK / PD data expected on Dec 9th, 2024
	REC-1245	**RBM39**	Biomarker-Enriched Solid Tumors & Lymphoma			DAHLIA		• Ph 1 update on dose-escalation expected in H1, 2026
	REC-3565[3]	**MALT1**	B-Cell Malignancies			EXCELERIZE		• Ph 1 FPD expected in Q1, 2025
	REC-4539[4]	**LSD1**	Small-Cell Lung Cancer (SCLC)					• Ph 1 FPD expected in H1, 2025
RARE	REC-994	**Superoxide**	Cerebral Cavernous Malformations (CCM)			SYCAMORE		• Ph 2 data to be shared via a congress / publication / webinar in H1, 2025 • Regulatory update by H2, 2025
	REC-4881	**MEK1/2**	Familial Adenomatous Polyposis (FAP)			TUPELO		• Ph 2 safety / early efficacy data expected in H1, 2025
	REC-2282	**HDAC**	Neurofibromatosis Type 2 (NF2)			POPLAR		• PFS maturing – PFS6 futility analysis anticipated in H1, 2025
	REV102[5]	**ENPP1**	Hypophosphatasia (HPP)					• Development candidate nomination expected in Q4, 2024
OTHER	REC-3964	**TcdB**	Prevention of Recurrent *C. difficile* (rCDI)			ALDER		• Ph 2 update expected in Q1, 2026
	REC-4209	**Undisclosed**	Idiopathic Pulmonary Fibrosis (IPF)					• IND-enabling studies ongoing
	~10 advanced discovery programs							

REC-4881 in APC/AXIN1 indications has been deprioritized as part of a disciplined, strategic portfolio prioritization as part of the integration

1. Formerly GTAEXS617 2. Includes non-small cell lung cancer (NSCLC), colorectal cancer, breast cancer, pancreatic cancer, ovarian cancer, head and neck cancer
3. Formerly EXS73565 4. Formerly EXS74539 5. Joint venture with Rallybio

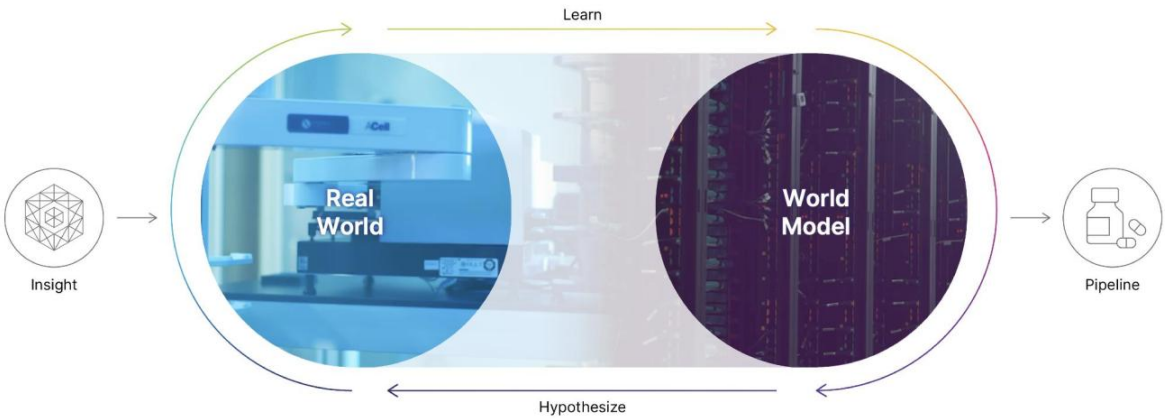
Robust pipeline of partnered programs



Note: Respective partner and disclosed target are noted for each clinical program
*Bill & Melinda Gates Foundation (BMGF) is a funder of anti-infective programs

Recursion

Unified Recursion OS with First-in-Class & Best-in-Class capabilities



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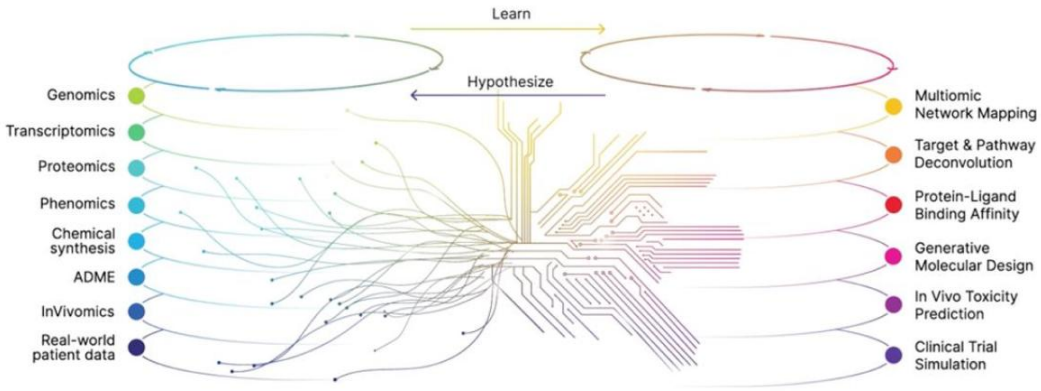

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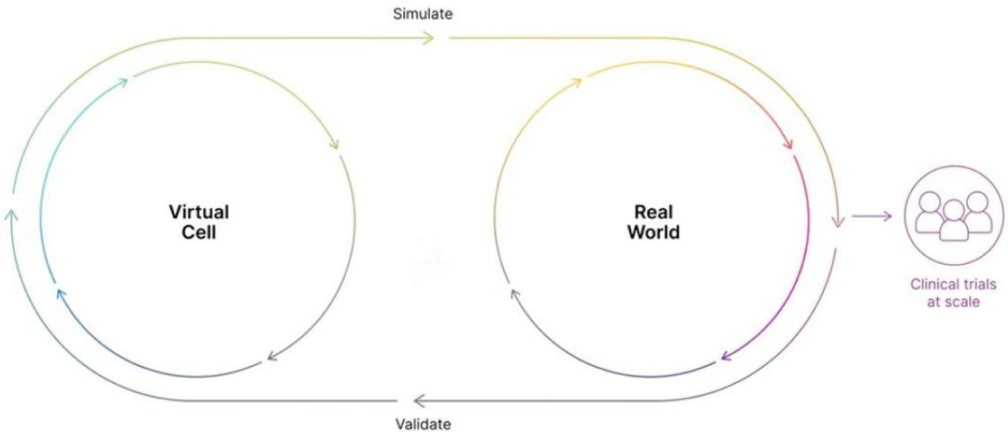


We harness value from the Recursion OS with a multi-pronged capital efficient business strategy

PIPELINE

Pipeline strategy

Build internal pipeline in indications with potential for **advance transformational medicines for patients**

- Oncology
- Rare disease
- Other areas of high unmet need

PARTNERSHIP

Partnership strategy

Partner in **complex therapeutic areas** requiring large financial commitment or competitive arbitrage

Leverage partner knowledge and clinical development capabilities

- Neuroscience
- Oncology
- Immunology
- Other large, intractable areas of biology

DATA

Data strategy

License subsets of data and key tools

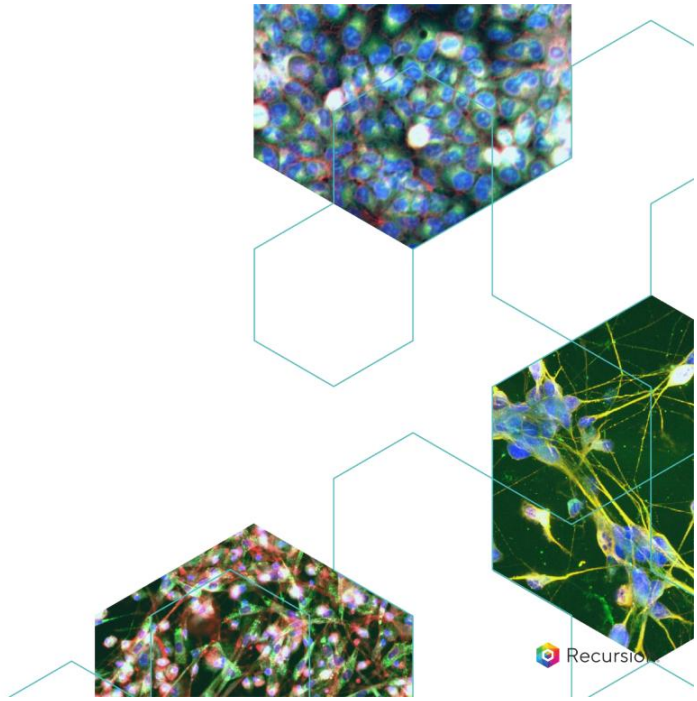
Direct generation of new data internally **to maximize pipeline and partnership value-drivers**

- Licensing
- Augment Recursion OS
- LOWE

Recursion

VALUE CREATION

Pipeline



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- Licensing
- Augment Recursion OS
- LOWE

PIPELINE

Oncology

Recursion

ONCOLOGY

Advanced Solid Tumors (CDK7 Inhibitor): REC-617*

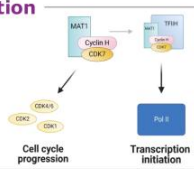
Unmet Need

- **Aberrant CDK7** overexpression common in advanced **transcriptionally-addicted** solid tumors
- Potential to address **multiple indications**, including post CDK4/6 population patients

~185,000
Treatable US + EU[1]

Mechanism of Action

- **Reversible** CDK7 inhibitor
- **Dual function** that targets both cell cycle progression and transcriptional regulation



Development Strategy

CURRENT STAGE

ELUCIDATE

Phase 1
Monotherapy
Dose Escalation

EXPECTED STAGES

Q1 2025	H2 2025
Phase 1 *Combo (SERD)* Dose Escalation	**Phase 2** *Combination* Dose Expansion

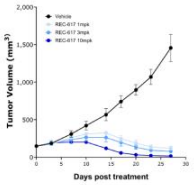
Differentiation

- Potential **Best-in-Class** and **First-in-Class** CDK7 Inhibitor
- Designed with **reduced transporter interactions** to **minimize GI adverse events** seen with competitor molecules

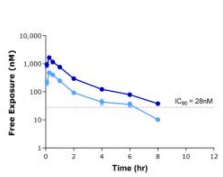
Key Preclinical Data

- REC-617 demonstrates **potent tumor regression** with <10 hours of exposure above IC_{80} **to optimize benefit-risk**

CDX Model: OVCAR3[2]



Mouse PK[3]



Recursion Approach

- **AI-powered precision design** to optimize PK/PD and **maximize potential therapeutic index**

136
Novel compounds synthesized to candidate ID

What's Next

- Initial Phase 1 monotherapy safety, PK/PD update expected at **AACR Special Conference in Cancer Research on December 9th**

* Formerly GTAEXS617

1. Advanced solid tumors including breast, NSCLC, ovarian, pancreatic, colorectal and head & neck. US and EU5 treatable incidence, 2022. 2. Besnard et al, AACR (2022).
3. PK studies conducted in CD1 mice, single-dose administration. >10 hr IC_{80} results in significant body weight loss

Recursion

ONCOLOGY

Solid Tumors & Lymphoma (RBM39 Degrader): REC-1245

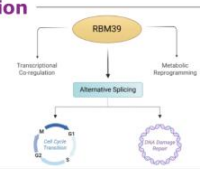
Unmet Need

- Solid tumor and lymphoma patients experience disease progression while on frontline therapies
- Potential as a single agent or in combination with chemo/IO

>100,000
Treatable US + EU[1]

Mechanism of Action

- **Molecular glue** RBM39 degrader via E3 ligase adaptor DCAF15
- **Disrupts RNA splicing** to downregulate cell cycle checkpoints, DDR networks, triggering cell stress, apoptosis



Development Strategy

CURRENT STAGE
DAHLIA
Phase 1
Monotherapy
Dose Escalation

EXPECTED STAGES
Phase 1
Monotherapy
Dose Confirmation

Phase 2
Monotherapy
Dose Expansion

Differentiation

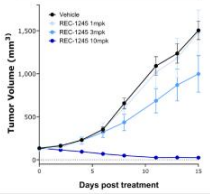
- Potential **First-in-Class** RBM39 Degrader
- **No significant** in vitro safety concerns (hERG, CEREP)

Highly Potent & Selective | Minimal Off-Target Liabilities | Biomarker Defined Population

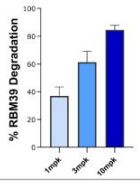
Key Preclinical Data

- REC-1245 shows significant **monotherapy regressions**
- **Dose-dependent** anti-tumor activity correlates with PD

CDX Model: OVK18[2]



PD: Target Engagement[3]



Recursion Approach

- Unbiased **ML-powered phenomap insight** to **identify novel DDR signature** and relate cellular phenotypes

204
Novel compounds synthesized to candidate ID

18 months
From Target ID to IND-Enabling studies

What's Next

- Ph 1 initiation expected in **Q4 2024**
- Ph 1 update in dose-escalation expected in **H1 2026**

1. Internal company estimates. Assumes US+EU5 addressable incidence with biomarker-enriched solid tumors and other select histologies. 2. N=8 mice per group REC-1245 administered BID PO at doses noted. 3. PD evaluated after 5 days BID oral administration of REC-1245 at doses noted; N=3 mice per group in PD portion

Recursion

ONCOLOGY

B-Cell Malignancies (MALT1 Inhibitor): REC-3565*

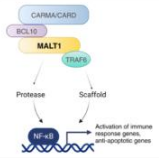
Unmet Need

- Mutations causing **constitutive MALT1 protease activity** and MALT1-cIAP fusions are aggressive with **limited treatment options**
- Potential to enhance **NF-κB inhibition** with BTK inhibitors

~41,000
Treatable US + EU5[1]

Mechanism of Action

- **Reversible** allosteric MALT1 inhibitor
- **Dampens NF-κB signaling** which drives survival and proliferation of B-cell tumors including ABC-DLBCL, MCL, FL, and CLL



Development Strategy

Q1 2025
EXCELERIZE
Phase 1
Monotherapy
Dose Escalation

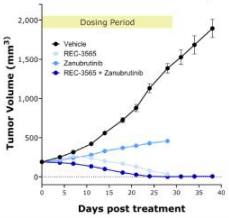
EXPECTED STAGES
Phase 1
Combination
Dose Escalation
Phase 1
Combination
Dose Expansion

Differentiation

- Potential **Best-in-Class** MALT1 Inhibitor
- **Low UGT1A1** anticipated liability versus competitors
- **No** significant **off-target** safety concerns (CEREP, Kinome)

Key Preclinical Data

- REC-3565 monotherapy shows significant **tumor regression**
- **Sustained** anti-tumor activity **in combo** with zanubrutinib



CDX Model: OCI-Ly10[2]

70%
Of mice in combination arm (REC-3565 + zanu) had no palpable tumors 10-days post last dose

Recursion Approach

- **AI-powered** precision designed **novel molecule** using molecular dynamics and hotspot analysis

344
Novel compounds synthesized to candidate ID

What's Next

- **Phase 1 First Patient Dosed** in B-Cell Malignancies (e.g., chronic lymphocytic leukemia), expected **Q1 2025**

* Formerly EXS73565.
1. Cerner Enviza Treatment Architecture Reports 2023, rounded to nearest 1,000 patients per year. 2. Payne et al. ENA, (2024)

Recursion

ONCOLOGY

Small-Cell Lung Cancer (LSD1 Inhibitor): REC-4539*

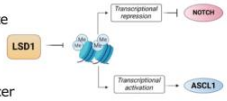
Unmet Need

- **SCLC** is a highly progressive disease with **5-year OS ~3%** in the extensive stage
- Clinical trial enrollment **remains NCCN-recommended** after 1L chemo/IO, despite advancements with DLL3-targeting BiTEs[2]

>45,000
Treatable US + EU5[1]

Mechanism of Action

- **Reversible** LSD1 inhibitor that can selectively upregulate NOTCH signaling
- **Promotes differentiation** of neuroendocrine cancer cells



Development Strategy

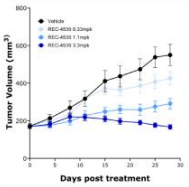
Differentiation

- Potential **Best-in-Class** LSD1 Inhibitor
- **Shorter-predicted half-life** plus **reversible MOA** to manage **on-target AEs**

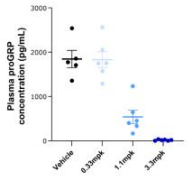
Key Preclinical Data

- **Dose-dependent** efficacy in SCLC human xenograft model
- Well tolerated with limited impact on platelet levels

CDX Model: H1417[3]



Plasma ProGRP[4]



Recursion Approach

- Precision design using **Active Learning**, combining reversibility with **CNS penetration**

414
Novel compounds synthesized to candidate ID

What's Next

- Phase 1 **First Patient Dosed** in SCLC expected **H1 2025**

16 * Formerly EXS74539.
1. EvaluatePharma Epidemiology 2023 (US and EU5). 2. Referenced with permission from the NCCN Clinical Practice Guidelines in Oncology (NCCN Guidelines®) for Small Cell Lung Cancer V.3.2025. 3. Payne et al. AACR, (2023). 4. Data on File

Recursion

PIPELINE

Rare disease

Recursion

RARE DISEASE

Cerebral Cavernous Malformation (Superoxide Scavenger): REC-994

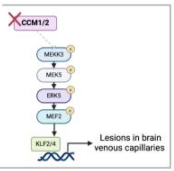
Unmet Need

- **No approved therapy**
- **Surgical resection** or stereotactic radiosurgery is non curative and **not always feasible** because of location

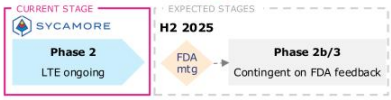
~360,000
Symptomatic US + EU5[1]

Mechanism of Action

- **Selective**, orally bioavailable redox-cycling nitroxide
- Promotes the metabolism of ROS to **reduce oxidative stress** within cells
- **Stabilizes** endothelial barrier function



Development Strategy

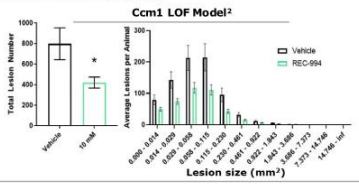


Differentiation

- Potential **First-in-Disease** oral therapeutic for CCM
- **No TEAEs** leading to discontinuation up to **800 mg** in Ph 1[3]

Key Preclinical Data

- **Reduces lesion number & size** in LOF mouse models
- Phase 2 **primary endpoint** of safety and tolerability met
- **Phase 2 encouraging trends in lesion volume reduction** consistent with *in vivo* POC



Recursion Approach

- **Unbiased ML-aided** phenotypic drug screen to identify effective therapeutics driving CCM

80%
Of Ph2 patients continued to LTE

ODD
In US + EU

What's Next

- **Phase 2** data expected to be shared at an upcoming medical congress / publication/webinar in **H1 2025**
- **FDA guidance** expected in **H2 2025**

1. Prevalence for hereditary and sporadic symptomatic population; Internal company estimates. 2. Gibson et al, Circulation (2015) and Data on File. 3. Alfa et al, Pharmacol Res Perspect (2024); LTE: long-term extension; ODD: Orphan Drug Designation

Recursion

RARE DISEASE

Familial Adenomatous Polyposis (MEK1/2 inhibitor): REC-4881

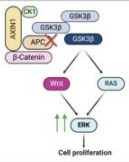
Unmet Need

- **No approved therapy**
- **Colectomy** during adolescence is standard of care
- Patients at **significant risk of GI** cancer and suffer substantial decrease in **quality-of-life**

~50,000
Diagnosed US + EU5[1]

Mechanism of Action

- **Loss of APC** drives FAP disease progression through aberrant pathway signaling (e.g., Wnt/B-catenin, MAPK signaling)
- REC-4881 **selectively blocks** the activation of ERK (MAPK pathway)



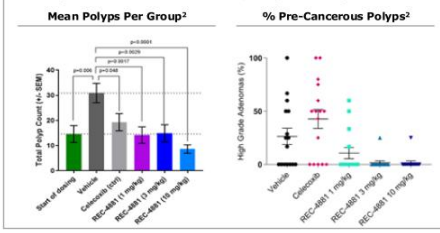
Development Strategy

Differentiation

- Potential **First-in-Disease** and **Best-in-Class** for FAP
- **Potent, non-competitive, allosteric** MEK1/2 inhibitor
- Oral 4 mg dose is **pharmacologically active**

Key Preclinical Data[2]

- ***APC*$^{min/-}$ mouse model**: Significantly reduces **polyp count** and **pre-cancerous adenoma**, outperforming celecoxib



Recursion Approach

- Unbiased **ML-aided phenomap insight** in human cancer cells

FTD	ODD
In US	In US + EU

What's Next

- **Futility analysis** for reduction in polyp burden expected **in H1 2025**

1. Prevalence for adult and pediatric population, Internal company estimates. 2. Data on file
FTD: Fast Track Designation; ODD: Orphan Drug Designation

Recursion

RARE DISEASE

Hypophosphatasia (ENPP1 Inhibitor): REV102

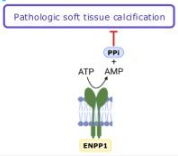
Unmet Need

- Opportunity to significantly **reduce costs & treatment burden**
- Many patients, particularly adults, may have difficulty accessing ERT
- Those who can access ERT face high treatment burden and tolerability hurdles

>7,800
Diagnosed prevalence US + EU5[1]

Mechanism of Action

- ENPP1 inhibition is a **genetically validated** target in HPP models
- Potent ENPP1 inhibitor that **restores PPi balance** and enables bone mineralization



Development Strategy

EXPECTED STAGES

2025	2026
IND-Enabling Studies	**Phase 1** Healthy Volunteers

Differentiation

- Potential **First-in-Class** and **Best-in-Class** ENPP1 Inhibitor
- **Non-immunogenic small molecule** offering potentially safer solution than ERT (3-6 injections per week)

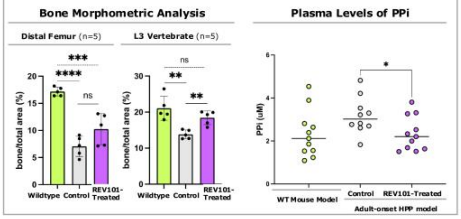
No significant in vitro safety concerns

Affordable oral treatment option

Potential as mono or combo therapy

Key Preclinical Data[2]

- Improved in mineralization in mouse models of HPP
- Significantly reduced PPi levels to that of wild-type mice



Recursion Approach[3]

- **Precision designed for** both **high potency** and a lifetime of **chronic dosing**
- **Structurally distinct** differences vs competitor ENPP1 inhibitors
- **Maintain selectivity** and deliver a candidate with **high oral bioavailability** in the clinic

What's Next

- **Development candidate nomination** expected in Q4 2024

1. HPP prevalence at birth. Mornet et al, 2020. 2. Narisawa et al. ASBMR (2024). 3. Joint venture with Rallybio
ERT= Enzyme Replacement Therapy

Recursion

RARE DISEASE

Neurofibromatosis Type 2 (HDAC Inhibitor): REC-2282

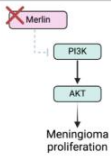
Unmet Need

- **No approved therapy**
- Surgery/RT is standard of care (when feasible)[2]
- **Location** may make **complete resection untenable**, leading to hearing loss, facial paralysis, poor balance and visual difficulty

~33,000
Treatable US + EU5[1]

Mechanism of Action

- **Loss of Merlin (NF2)** leads to PI3K signaling and meningioma proliferation
- **REC-2282** indirectly facilitates **AKT dephosphorylation** by disrupting the PP1-HDAC interaction



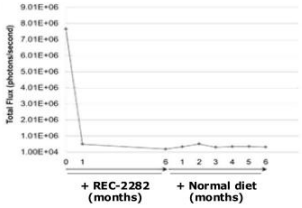
Development Strategy

Differentiation

- Potential **First-in-Disease** and **Best-in-Class** for NF2
- Potential to **rescue disease-inducing effects** of NF2 loss

Key Preclinical Data

- **Prevents growth & regrowth** of NF2-deficient meningioma model in mice[3]



Recursion Approach

- Unbiased **ML-aided phenomap insight and drug screen** in human cells

FTD	ODD
In US	In US + EU

What's Next

- **Phase 2 PFS data maturing**
- Futility analysis (PFS6) expected in **H1 2025**

1. Annual US and EU5 incidence for all NF2-driven meningiomas. 2. Rogers et al. J Neurosurg, (2015); 3. Data on File
FTD: Fast Track Designation; ODD: Orphan Drug Designation

Recursion

PIPELINE

Other areas of high unmet need

Recursion

OTHER

C. difficile (*C. diff* Toxin B Selective Inhibitor): REC-3964

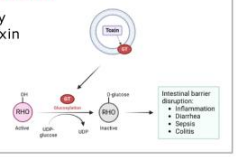
Unmet Need

- **Limited treatment options** for high-risk population with recurrent CDI cases
- Ability to address populations not eligible for FMT or microbiome-based therapies

~175,000
Recurrent *C. diff* cases US[1]

Mechanism of Action

- **Highly potent**, orally bioavailable C. diff toxin B (TcdB) selective inhibitor
- **Selectively** inhibits catalytic activity of bacterial glucosyltransferase



Development Strategy

CURRENT STAGE

ALDER

Phase 2

Patients with rCDI → **Vancomycin** → 500 mg orally BID / 250 mg orally BID / **Observational**

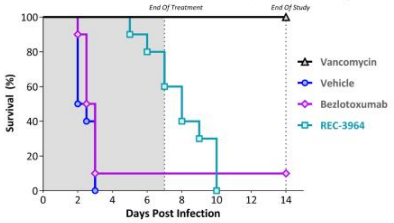
Differentiation

- Potential **First-in-Class** as non-antibiotic oral for rCDI
- **Highly potent** and **well-tolerated** with no reported DLTs, SAEs or treatment-related discontinuations in Phase 1

Safe and well-tolerated MOA | High oral bioavailability | Bacterial toxin selective

Key Preclinical Data

- REC-3964 significantly extended survival vs bezlotoxumab alone at the end of treatment ($p<0.001$, log rank test)[2]



Recursion Approach

- Unbiased **ML-aided conditional phenotypic drug screen** in human cells

123
Novel compounds synthesized to candidate ID

What's Next

- **First Patient Dosed in the Phase 2** ALDER trial expected in Q4 2024
- Phase 2 update expected in **Q1 2026**

1. Incidence of addressable US cases of recurrent CDI, Shields et al., Anaerobe (2016). 2. N=10 hamsters per group. *C. difficile* strain 630, Data on File

Recursion

OTHER

Idiopathic Pulmonary Fibrosis (Target Epsilon - Undisclosed): REC-4209

Unmet Need

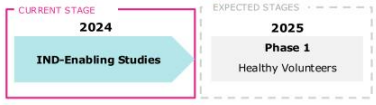
- **Approved therapies show modest slowing** of IPF progression
- **No improvement in survival (mOS 3-5 years) or quality of life** with current treatments

~130,000
Diagnosed prevalence US[1]

Mechanism of Action

- **Reversible**, orally bioavailable, and potent Target Epsilon inhibitor
- Promotes **tissue repair and has potential to reverses fibrosis** likely by modulating TGF-ß
- **Modulator of immuno-mesenchymal** populations in fibrosis, which **reduces fibrotic markers** in in vivo and in vitro models of fibrotic disease

Development Strategy

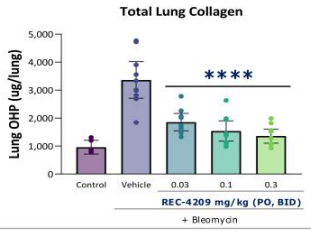


Differentiation

- Potential **First-in-Class** treatment for IPF
- Potential for **safe** and **well-tolerated** novel treatment
- **In vitro models suggest** capability of reversing the fibrotic process driving IPF progression

Key Preclinical Data

- REC-4209 at low doses reduces total lung collagen by 45% to 60% versus vehicle mice[2]



Recursion Approach

- Unbiased **ML-powered phenomap drug screen** in human cells

204
Novel compounds synthesized to candidate ID

What's Next

- **IND-enabling studies ongoing**

1. Global Data, Internal company estimates on IPF prevalence, Collard et al., Chest (2014).
2. Groups compared against Vehicle. ****p<0.0001; one-way ANOVA with Tukey's multiple comparison test. Data reflects mean ± 95% CI

Recursion

VALUE CREATION

Partnerships & Data Strategy

We harness value from the Recursion OS with a multi-pronged capital efficient business strategy

PIPELINE

Pipeline strategy

Build internal pipeline in indications with potential for **advance transformational medicines for patients**

- Oncology
- Rare disease
- Other areas of high unmet need

PARTNERSHIP

Partnership strategy

Partner in **complex therapeutic areas** requiring large financial commitment or competitive arbitrage

Leverage partner knowledge and clinical development capabilities

- Neuroscience
- Oncology
- Immunology
- Other large, intractable areas of biology

DATA

Data strategy

License subsets of data and key tools

Direct generation of new data internally **to maximize pipeline and partnership value-drivers**

- Licensing
- Augment Recursion OS
- LOWE

Partnerships with approximately $450M[1] earned to date and potential to receive more than $20B[2] in additional milestones

Recursion OS

NEUROSCIENCE & ONCOLOGY

$150M upfront and up to 40 programs in neuroscience and one indication in gastrointestinal cancer, each of which could yield more than $300M in development, commercialization and net sales milestones with mid-to high-single digit tiered royalties on net sales

ONCOLOGY & IMMUNOLOGY

$100M upfront with the potential of $5.2B in total milestones plus high-single digit to mid-teen tiered royalties

ONCOLOGY

$30M upfront and $50M equity investment. Increased per program milestones up to $1.5B in aggregate with low- to mid-single digit tiered royalties on net sales for up to seven programs

ONCOLOGY & IMMUNOLOGY

$20M upfront with up to $674M in aggregate and with mid-single to low-double digit tiered royalties

TECH PARTNERSHIPS

NVIDIA, Google Cloud, TEMPUS, Helix, Enamine

Recursion

1. Upfront and milestone payments from these therapeutic partnerships
2. Additional milestone payments, excluding royalties

We harness value from the Recursion OS with a multi-pronged capital efficient business strategy

PIPELINE

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DATA

Data strategy

License subsets of data and key tools

Direct generation of new data internally **to maximize pipeline and partnership value-drivers**

- Licensing
- Augment Recursion OS
- LOWE

We license subsets of data and key tools to generate new data to maximize pipeline and partnership value-drivers

COMPUTATION & ML/AI

Partnership on advanced computation, priority access to compute hardware or DGXCloud Resources.

REAL-WORLD DATA ACCESS

Preferential access to >20 PBs of real-world, multi-modal oncology data and ability to train causal AI models with utility in target discovery, biomarker development & patient selection.

COMPUTATION & ML/AI

Explore generative AI capabilities, drive improved search and access, scaled compute resources, improved management of data, and continued data privacy and security support.

Recursion OS

REAL-WORLD DATA ACCESS

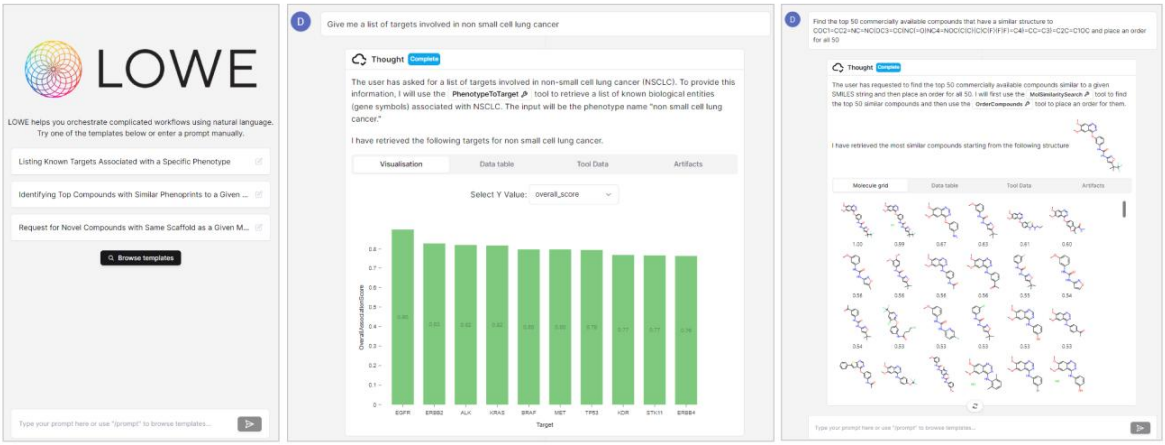
Access to hundreds of thousands of de-identified records to train causal AI models and design biomarker & patient stratification strategies across broad disease areas.

CHEMINFORMATICS & CHEMICAL SYNTHESIS

Utilizes Recursion's predicted protein-ligand interactions for ~36B compounds from Enamine's REAL Library.

Recursion

LOWE puts the Recursion OS at your fingertips via natural language without any coding expertise required



30 Note: Large Language Model-Orchestrated Workflow Engine (LOWE) is Recursion's LLM-based software that can perform complex drug discovery tasks and orchestrate both wet-lab and dry-lab components of the Recursion OS using a natural language interface

Recursion

Culture and Team

Our leadership brings together experience & innovation to advance TechBio

Executive Team

Chris Gibson, PHD
Co-Founder, & Chief Executive Officer

Najat Khan, PHD
Chief R&D Officer & Chief Commercial Officer
Johnson&Johnson

Ben Taylor
Chief Financial Officer & President Recursion UK
Goldman Sachs AETION

David Mauro, MD PHD
Chief Medical Officer
CODIAK CHECKMATE

David Hallett, PHD
Chief Scientific Officer
evotec MERCK

Ben Mabey
Chief Technology Officer

Kristen Rushton
Chief Operations Officer
Myriad genetics

Nathan Hatfield
Chief Legal Officer
WILSON SONSINI

Matt Kinn
Chief Business Officer
BCG UBS

Erica Fox
Chief People & Impact Officer
Google :: PRIMER

Lina Nilsson, PHD
SVP, Head of Platform
ENLITIC

Board of Directors

Rob Hershberg, MD PHD
Co-Founder, CEO, & Chair of HilleVax; Former EVP, CSO, & CBO of Celgene

Zachary Bogue
Co-Founder & Partner of Data Collective

Blake Borgeson, PHD
Co-Founder of RXRX
MIRI

Franziska Michor, PHD
Chair at Dana-Farber Cancer Institute & Professor at Harvard University
Dana-Farber Cancer Institute

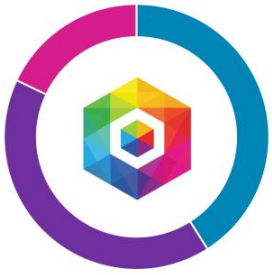
Chris Gibson, PHD
Co-Founder & Chief Executive Officer

Najat Khan, PHD
Chief R&D Officer & Chief Commercial Officer
Johnson&Johnson

Dean Li, MD PHD
Co-Founder of RXRX, President of Merck Research Labs
MERCK

Zavain Dar
Co-Founder & Partner of Dimension
DIMENSION

Our people are the most important ingredient for our mission



~800 employees

- Technology – data science, software engineering, automation, etc.
- Life Sciences – biology, chemistry, development, etc.
- Strategic Operations

Parity Pledge Signer:
Gender parity and people of color parity

Headquartered in **Salt Lake City, Utah** with other primary locations in:

- Milpitas, California
- New York, New York
- Toronto, Ontario
- Montréal, Québec
- London, England
- Oxford, England

ESG Highlights

Corporate ESG Performance Prime — Rated by ISS ESG

Rated by Morningstar Sustainalytics

MSCI ESG RATINGS A — CCC | B | BB | BBB | A | AA | AAA

Learn more about Recursion's ESG stewardship:
www.recursion.com/esg

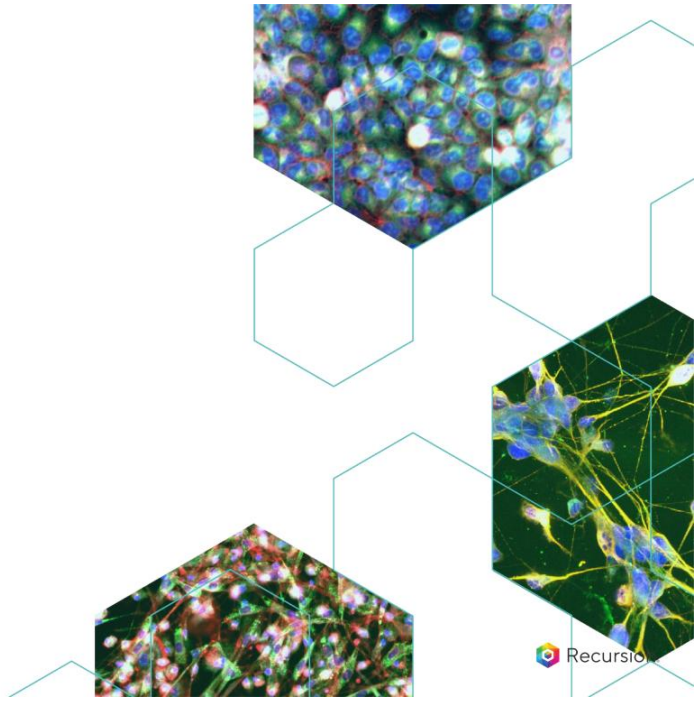
Community Impact

altitude lab — Founding Partner, Life Science Accelerator

biohive — Founding Member, Life Science Collective

APPENDIX

Pipeline Details



PIPELINE

Oncology

Recursion

REC-617*: CDK7 Inhibitor

A precision designed highly selective CDK7 inhibitor for Relapsed and/or Refractory (R/R) Solid Tumors

Program Status	• Potential **Best-in-Class** and **First-in-Class** CDK7 inhibitor • Phase 1/2 study in advanced solid tumors ongoing • Initial Phase 1 monotherapy safety, PK/PD update expected at **AACR Special Conference in Cancer Research on December 9, 2024**
Mechanism of Action	• **Reversible CDK7 inhibitor** that targets both cell cycle progression and transcriptional regulation
Thesis & Differentiation	• **Non-covalent binding and improved selectivity** to decrease off-target toxicity • 8-10 hours of therapeutic coverage at IC_{80} with a **short half-life** to reduce on-target toxicity • **Rapid absorption and permeability** at lowest possible dose
Unmet Need[1]	• **Multiple cancer indications** that have the potential to address ~185,000 patients annually • **R/R solid tumors** including breast, NSCLC, ovarian, pancreatic, colorectal, and head & neck

Recursion Approach

- AI-powered precision design to optimize PK/PD to **maximize potential therapeutic index**
- 136 novel compounds synthesized to candidate ID

* Formerly GTAEXS617.

1. Advanced solid tumors including breast, NSCLC, ovarian, pancreatic, colorectal and head & neck. US and EU5 treatable incidence, 2022.

REC-617: Robust anti-tumor activity demonstrated in disease relevant preclinical tumor models

Initial clinical safety and PK/PD update on track for Q4 2024

Key Preclinical Data

REC-617 has Best-in-Class potential[1]

Designed to avoid efflux transporter substrate to minimize GI adverse events

Category	Assay	DC Criteria	Ph 1 Competitor	Ph 1/2 Competitor	REC-617
Potency & Selectivity	CDK7 IC50 (nM)	<10			
	CDK family selectivity	>100-fold			
	HCC70 (breast cancer) IC50 (nM)	<100			
ADME	**Caco-2 A2B (efflux) 10^{-6} cm/s**	>5 (<3)			
	Predicted human half-life (hr)	<15			

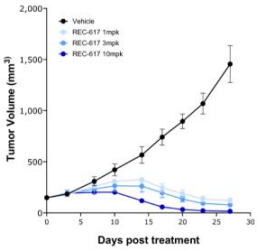
Meets or exceeds criteria | Minor deviation | Major deviation

Development Candidate (DC) Criteria:

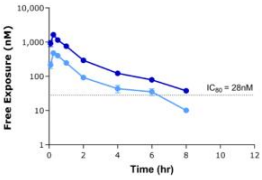
- **CDK7 IC50:** green <10nM; yellow 10-30nM; red >30nM
- **CDK7 selectivity:** green >100-fold; yellow 30-100-fold; red <30-fold
- **HCC70 IC50:** green <100nM; yellow 100-500nM; red >500 nM
- **Caco-2 A2B (efflux):** green >5(<3); yellow >1.5 (<10); red <1.5 (>30)
- **Half-life**: green <15, yellow <24, red >24

Potent tumor regression with minimal IC_{80} exposure

CDX Model: OVCAR3[2]



Mouse PK[3]



- REC-617 demonstrates potent tumor regression with less than 10 hours of exposure above IC_{80} to optimize benefit-risk

1. Data on File. 2. Besnard et al, AACR (2022). 3. PK studies conducted in CD1 mice, single-dose administration. >10 hr IC_{80} results in significant body weight loss

Recursion

REC-617 (CDK7 inhibitor): Study Design and Next Steps

Development Strategy

ELUCIDATE Phase 1/2 study design

CURRENT STAGE

Phase 1
Dose Escalation (N≤60)

Part A
- Monotherapy

Part B
- Initial combination with SERD in HR+/HER2- post CDK4/6 inhibitor population

Primary Endpoint:
- Safety and Tolerability
- Recommended Dose

RP2D

Phase 2
Dose Expansion
- N = 30-60 patients in combination
- N will depend on number of disease specific cohorts

Primary Endpoint:
- ORR

REC-617 Competitive Profile

- Potential **Best-in-Class** CDK7 inhibitor
- **Reduced risk** of off-target toxicity
- **Highly selective & potent**

Trial Update

- Phase 1 monotherapy preliminary safety and PK/PD data update expected **Dec 9, 2024 (AACR Special Conference in Cancer Research)**

REC-1245: RBM39 Degrader

A highly selective RBM39 degrader for Biomarker-Enriched Solid Tumors and Lymphoma

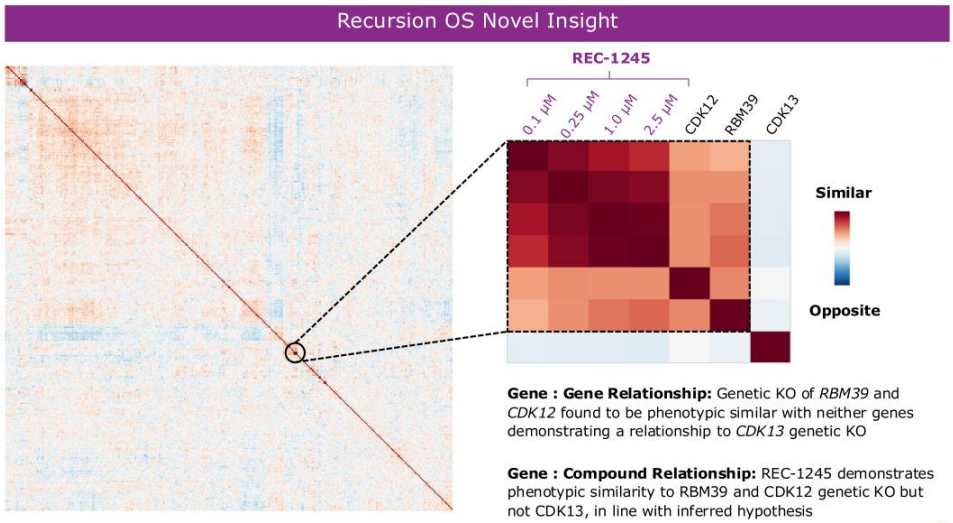
Program Status	• Potential **First-in-Class** RBM39 degrader in solid tumors • Phase 1/2 study **initiation** expected in **Q4 2024** • **Phase 1 monotherapy** update on dose-escalation expected in **H1 2026**
Mechanism of Action	• **Molecular glue** that degrades RBM39 via E3 ligase adaptor DCAF15 • **Disrupts RNA splicing** to downregulate cell cycle checkpoints and DDR networks
Thesis & Differentiation	• **RBM39 phenotypically mimics CDK12** and is **distinct** from **CDK13** in Recursion OS • **Novel approach** to target DDR biology via RBM39 **avoids on-target toxicities** associated with cell cycle checkpoint inhibitors (e.g., CDK12, WEE1, ATR, ATM, PLK1) • **Selective** RBM39 degrader with **minimal ITGA2 liability** to limit thrombocytopenia
Unmet Need[1]	• **>100,000 patients** with solid tumor or lymphoma experience disease progression while on frontline therapies • Potential to be used as a **single agent or in combination** with chemo/IO

Recursion Approach

- **Unbiased ML-aided genomics screen** to identify biological signature and relate cellular phenotypes
- Progressed REC-1245 from target biology to IND-Enabling studies in **under 18 months (vs. 42 months in industry[2])**

1. Internal company estimates. Assumes US+EU5 addressable incidence with biomarker-enriched solid tumors and other select histologies.
2. Paul et al, Nat Rev Drug Discov (2010)

REC-1245 (RBM39 degrader): Platform inferred a functional similarity between RBM39 and CDK12 biology suggesting a novel approach to potential DDR modulation



 1. Data on File.

REC-1245 (RBM39 degrader): Robust efficacy/PK/PD in biomarker-positive disease relevant preclinical tumor models with Phase 1 initiation expected Q4 2024

Key Preclinical Data[1]

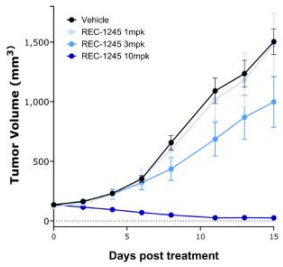
REC-1245 is highly selective and potent

Category	Assay	DC Criteria	REC-1245
Potency / Selectivity	RBM39 Degradation DC_{50}	<100 nM	
	CDK12 Kinase	No sig. activity	
In Vitro Safety	CEREP Safety Panel	No sig. activity	
	hERG IC_{50} (μM)	>30	
Pharmacokinetics	Oral Bioavailability (%F)	>30	

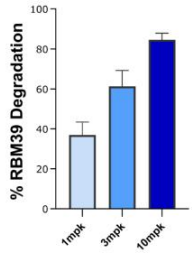
Meets or exceeds criteria | Minor deviation | Major deviation

REC-1245 has compelling efficacy and PK/PD in preclinical models

CDX Model: OVK18[2]



PD: Target Engagement[3]



- REC-1245 shows significant monotherapy regressions
- Dose-dependent antitumor activity correlates with PD

1. Data on File. 2. N=8 mice per group in TV portion. REC-1245 administered BID PO. 3. PD evaluated after 5 days BID oral of REC-1245 at doses noted ; N=3 mice per group in PD portion

REC-1245 (RBM39 degrader): Study Design and Next Steps

Development Strategy

DAHLIA Phase 1/2 study design

CURRENT STUDY

Phase 1
Dose Escalation (N~55)

Part A
- Monotherapy dose-finding

Part B
- Monotherapy dose-confirmation

RP2D

Phase 2
Dose Expansion

Key Study Characteristics

Study objectives:
- Safety/Tolerability
- RP2D
- ORR

Eligibility:
- Select histologies including a biomarker population and R/R lymphomas

REC-1245 Competitive Profile

- **Highly potent,** potential **First-in-Class** RBM39 degrader (<100nM DC50)
- No significant in vitro safety concerns (CEREP, hERG)
- No significant activity in CDK12 kinase assay
- Minimal ITGA2 liability to **limit thrombocytopenia**
- High oral bioavailability

Trial Update

- Monotherapy dose escalation trial initiation expected **Q4 2024**
- Trial **active and enrolling** at 5 US sites

REC-3565*: MALT1 Inhibitor

A precision designed selective MALT1 inhibitor for B-Cell Malignancies

Program Status	• Potential **Best-in-Class** MALT1 inhibitor • Phase 1 initiation in B-Cell Malignancies (e.g., chronic lymphocytic leukemia), expected **Q1 2025**
Mechanism of Action	• **Reversible allosteric MALT1 inhibitor** that can dampen NF-κB signaling • **Selectively** inhibits CLL proliferation with limited impact on T-Cell viability
Thesis & Differentiation	• **Low UGT1A1 liability** with potential for reduced risk of hyperbilirubinemia • **Potential for reduced liver toxicity and enhanced efficacy** in combination with BTK and BCL2 inhibitors • Low predicted human clearance and **high oral bioavailability**
Unmet Need[1]	• **Current monotherapy treatments** in B-cell malignancies not curative and prone to resistance • ~41,000 patients with R/R B-cell malignancies (treatable in US and EU5) – targeting CLL combination therapy

Recursion Approach

- **AI powered** precision-designed novel molecule using **molecular dynamics and hotspot analysis**
- 344 novel compounds synthesized to candidate ID
- Maintain selectivity and deliver a candidate with lower predicted safety risk in the clinic

*Formerly EXS73565.

1. Cerner Enviza Treatment Architecture Reports 2023, rounded to nearest 1,000 patients per year.

REC-3565 (MALT1 inhibitor): Minimal UGT1A1 liability vs competitors and significant tumor regression observed in vivo with Phase 1 initiation anticipated on Q1 2025

Key Preclinical Data

REC-3565 has Best-in-Class potential[1]

Category	Assay	DC Criteria	Ph 1 large pharma	Ph1 biotech	REC-3565
Potency & Selectivity	MALT1 IC_{50} (nM)	<100			
	OCI-Ly3 proliferation IC50 (nM)	<400			
ADME	**UGT1A1 IC50 (µM)**	>10			
	Caco-2 A2B (efflux) 10^{-6} cm/s	>5 (<3)			

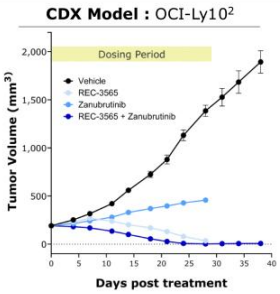
Meets or exceeds criteria | Minor deviation | Major deviation

Development Candidate (DC) Criteria:

- **MALT1 IC50 nM:** green <100 nM; yellow >100-<300 nM; red>300 nM
- **OCI-Ly3 IC50 nM:** green <400 nM; yellow >400-<1000 nM; red>1000 nM
- **UGT1A1 IC50 uM**: green >10 uM; yellow <10->1 uM; red<1 uM
- **Caco-2 A2B (efflux):** green >5(<3); yellow >1-<5(>3-<10); red <1(>10)

Single-agent and synergistic activity in vivo[2]

CDX Model : OCI-Ly10[2]



70%

Of mice in combination arm (REC-3565 + zanu) had no palpable tumors 10-days post last dose

- OCI-Ly10 and Rec-1 cells are sensitive to both MALT1i and zanubrutinib *in vitro*
- Administration of REC-3565 as a single agent showed tumor growth regression
- Durable tumor growth regression observed when REC-3565 was combined with zanubrutinib

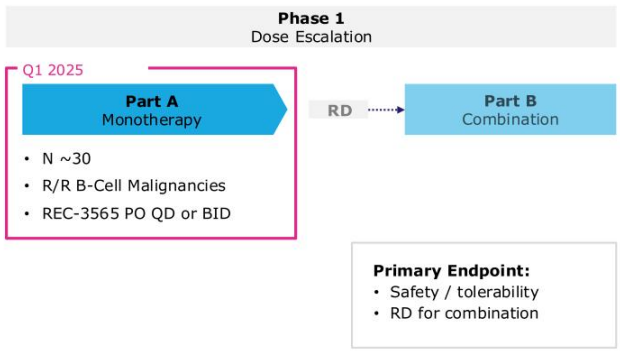
 1. Data on File. 2. Payne et al. ENA, (2024)

Recursion

REC-3565 (MALT1 inhibitor): Study Design and Next Steps

Development Strategy

EXCELERIZE Phase 1 study design



REC-3565 Competitive Profile

- **Low** predicted human clearance and **high oral bioavailability**
- **No unexpected** in vitro or in vivo **safety concerns** identified
- **Well tolerated** in rat/dog dose range finding (DRF) studies
- GLP-tox studies completed with **suitable no-observed-adverse-effect level (NOAEL)** enabling clinical trials

Trial Update

- Trial initiation expected **Q1 2025**

REC-4539*: LSD1 Inhibitor

A precision designed unique LSD1 inhibitor with CNS penetrance

Program Status	• Potential **Best-in-Class** LSD1 inhibitor • **Phase 1 initiation** in SCLC expected **1H 2025**
Mechanism of Action	• **Reversible LSD1 inhibitor** that can selectively upregulate NOTCH signaling • Promotes **differentiation of neuroendocrine cancer cells** • **Impairs DNA repair pathways** sensitizing SCLC cells to immune checkpoint inhibitors
Thesis & Differentiation	• LSD1 inhibitor designed to be **reversible** and **brain penetrant** • **Shorter-predicted half life** versus competitors to manage **on-target toxicity** • **Highly selective** to reduce **off-target toxicity** • Preclinical data shows therapeutic exposures have minimal effects on platelets, suggesting potential **reduced risk of thrombocytopenia**
Unmet Need[1]	• **>45,000 patients** with treatable Stage III/IV SCLC • Limited treatment options post progression on frontline therapies

Recursion Approach

- **Precision design** using **active learning to select most information rich compounds**
- 414 novel compounds synthesized to candidate ID
- Used multiparameter optimization to design a unique candidate combining reversibility with CNS penetration

*Formerly EXS74539.

1. EvaluatePharma Epidemiology 2023 (US and EU5)

REC-4539 (LSD1 inhibitor): Sufficient CNS exposures vs competitors and compelling dose-response demonstrated in vivo with Phase 1 initiation anticipated in H1 2025

Key Preclinical Data

REC-4539 has Best-in-Class potential[1]

Assay	DC Criteria	Competitor 1	Competitor 2	REC-4539
Brain : Plasma Ratio	>0.5			
MDCK-MDR1 Efflux Ratio (Pgp)	<2			
Predicted Human Half-life	QD dosing			

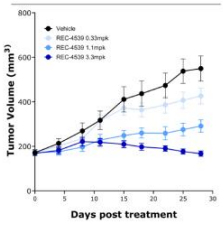
Meets or exceeds criteria | Minor deviation | Major deviation

Development Candidate (DC) Criteria:

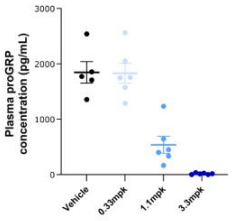
- **Brain:plasma ratio:** green >0.5; red <0.5
- **MDCK-MDR1 efflux ratio (Pgp):** green <2; yellow >2-<10; red >10
- **Predicted half-life:** green <24 hours; yellow 24-48h hours; red >48 hours

REC-4539 highly efficacious in SCLC xenograft model[2]

CDX Model: H1417[2]



Plasma ProGRP[3]



- Dose-dependent regression
- Well-tolerated with limited impact on platelet levels

Trial Update

- Phase 1 **First Patient Dosed** in SCLC expected **H1 2025**

 1. Data on File. 2. Payne et al. AACR (2023). 3. Data on File

Recursion

PIPELINE

Rare disease

Recursion

REC-994: Superoxide Scavenger

A safe and well tolerated superoxide scavenger for the treatment of Cerebral Cavernous Malformation (CCM)

Program Status	• **First therapeutic candidate** advanced to an industry-sponsored Phase 2 trial • **Phase 2 primary endpoint** of safety **met** with similar AE profile across arms • Meeting with FDA anticipated in **H2 2025** to discuss plans for additional clinical study
Mechanism of Action	• **Selective**, orally bioavailable, redox-cycling nitroxide • Promotes the metabolism of ROS to **reduce oxidative stress** within cells • **Stabilizes** endothelial barrier function
Thesis & Differentiation	• Develop the **first oral therapy** for the treatment of symptomatic CCM • Target the **underlying genetic mechanisms** that drive the disease pathophysiology of CCM
Unmet Need[1]	• ~360,000 symptomatic CCM patients with **no approved therapies** – **~63,000 patients** harboring **brainstem lesions** and elevated bleeding risk – **~36,000 patients** with **cavernoma-related epilepsy**[2,3]

Recursion Approach

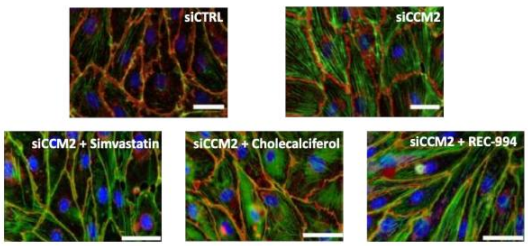
- **Unbiased ML-aided** phenotypic drug screen to identify effective therapeutics driving CCM
- In vivo POC demonstrated lesion reductions that were also observed in the Ph2 trial

1. Prevalence for hereditary and sporadic symptomatic population, Internal company estimates. 2. Smith ER. N Engl J Med (2024). 3. Horne MA, et al. Lancet Neuro, (2016).

REC-994 (Superoxide Scavenger): Preclinical studies showing reduction of lesion burden de-risked the first industry-sponsored Phase 2 study in CCM

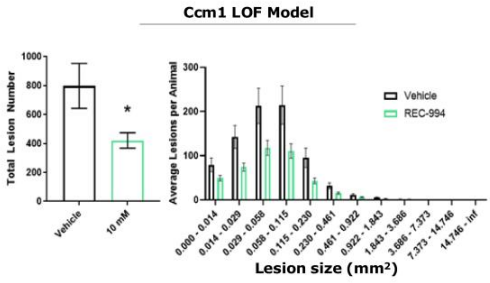
Recursion OS Insight

Identified REC-994 as potential rescue molecule in phenotype associated with CCM2 loss of function



Key Preclinical Data[1]

Reduces lesion number & size in *Ccm1 and Ccm2*[2] loss of function (LOF) mouse models



 1. Gibson et al, Circulation (2015) and Data on File. 2. Data not shown

REC-994 (Superoxide Scavenger): Topline Phase 2 data in September demonstrated encouraging signals of efficacy

Trial Update SYCAMORE

- Randomized, double-blind, placebo-controlled Phase 2 study
- **Primary endpoint** of safety and tolerability **met** September 2024
- **Encouraging trends** observed in objective MRI-based exploratory efficacy measures observed
- **Time- and dose-dependent trends in reduced lesion volume** and **hemosiderin ring size** compared to placebo
- **80% of Phase 2 study participants** remain on the long-term extension phase of the study

Next Steps

- **Meeting with FDA** to define regulatory path and Phase 2/3 study under development
- Data expected to be presented at **forthcoming meeting in 2025**

 SYCAMORE – CCM: Part 1: A Phase 2 Randomized, Double-Blind, Placebo-Controlled Clinical Trial to Evaluate the Safety, Efficacy and Pharmacokinetics of Two Doses of REC-994; Part 2: A Long-Term Blinded Extension Clinical Trial to Evaluate Long-Term Safety Tolerability and Efficacy of REC-994

REC-4881: MEK1/2 Inhibitor

A highly selective and potent MEK1/2 inhibitor for chemoprevention of Familial Adenomatous Polyposis (FAP)

Program Status	• **First-in-Disease** and **Best-in-Class** potential for the treatment of FAP • **Phase 1b** safety and futility analysis (polyp burden) anticipated in **H1 2025**
Mechanism of Action	• **Loss of APC** drives FAP disease progression through **aberrant MAPK signaling** • **REC-4881 is a highly potent, non-competitive, allosteric** MEK1 and MEK2 inhibitor • Selectively blocks the activation of ERK (MAPK pathway)
Thesis & Differentiation	• **Develop the first oral therapy** for the treatment of FAP • Target **underlying genetic mechanisms** that drive the FAP disease progression • Preferential distribution to GI tissues vs competitors which may enable greater activity at lower doses
Unmet Need[1]	• **No approved systemic therapies and significant unmet need** for ~50,000 FAP patients beyond colectomy – Includes ~7,000[2] **advanced duodenal polyposis** patients in the US at high-risk of developing cancer

Recursion Approach

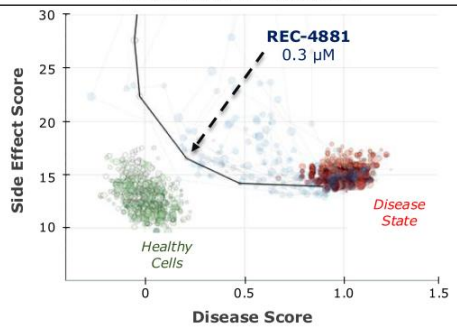
- **Unbiased ML-aided phenotypic** drug screen in **human cancer cells**
- **Validated findings** in vivo demonstrating significant reductions in polyps and adenomas

 1. US + EU5 diagnosed prevalence of FAP (adult and pediatric), Internal company estimates. 2. US addressable patients ≥ 55 years old.

REC-4881 (MEK1/2 Inhibitor): Highly selective and potent molecule demonstrated superior in vivo efficacy versus celecoxib

Recursion OS Insight

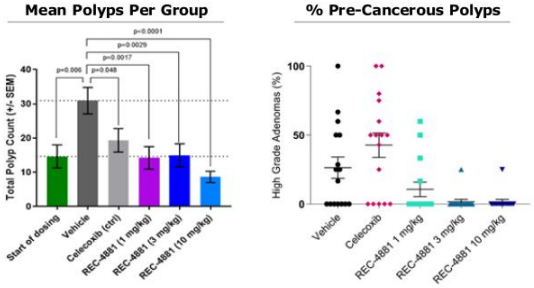
REC-4881 suppresses disease-inducing effects of APC mutations



- AI/ML extracts morphological features to distinguish "diseased" vs. "healthy" states
- Compounds co-treated with APC siRNA for 24 hours to find hits that reverse disease state back to healthy in a concentration-dependent manner

Key Preclinical Data[1]

REC-4881 Decreases Polyp Count and Pre-Cancerous Adenomas



- Significantly reduces polyp count at all dose levels, outperforming celecoxib in *APC*$^{min/-}$ mouse
- Unlike celecoxib, REC-4881 reduces both polyp numbers and % of adenomas
- Meaningful efficacy seen at lowest dose tested (1mg/kg) – suggests potential for therapeutic activity at reduced systemic exposures

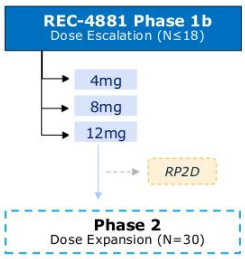
1. Data on File

Recursion

REC-4881 (MEK1/2 Inhibitor): Study Design and Next Steps

Development Strategy

TUPELO Phase 1b/2 study design



Key Eligibility

- Confirmed *APC* mutation
- ≥ 55 years old
- Post-colectomy/proctocolectomy
- No cancer present
- Polyps in upper and lower GI

Study Objectives:

- Identify RP2D
- Safety/tolerability
- Reduction in polyp burden at week 12

REC-4881 Competitive Profile

- Early PD data indicates **4 mg dose** is pharmacologically active and well-tolerated
- **Fast Track Designation** in FAP granted by FDA in 2022
- **ODD** in US and EU

Trial Update

- Futility – reduction in polyp burden; assessed after **10 evaluable** patients at the RP2D
- Futility analysis expected in **H1 2025**

REV102: ENPP1 Inhibitor

A safe and highly selective ENPP1 inhibitor for Hypophosphatasia (HPP)

Program Status	• Potential **First-in-Class** and **Best-in-Class** ENPP1 inhibitor for the treatment of patients with HPP • Development candidate nomination expected in Q4 2024
Mechanism of Action	• **Potent ENPP1** inhibitor is a **non-immunogenic** small molecule that restores PPi balance • **Highly selective** ENPP1 inhibitor with low nM potency
Thesis & Differentiation	• **ENPP1** inhibition **is a genetically validated** target in HPP models • Potential for **first oral disease-modifying therapy (compared to multiple weekly injections)** without dose-limiting adverse events • **Non-immunogenic** small molecule approach offering potentially safer solution than enzyme replacement therapy (ERT) • REV102 offers a **more tolerable and affordable** option to ERTs
Unmet Need[1]	• **~7,800 diagnosed prevalence** of HPP across US and EU5 • Many patients, particularly adults, may have difficulty accessing ERT • Those who can access ERT face high treatment burden and tolerability hurdles • Opportunity to **significantly reduce costs** and **treatment burden**

Recursion Approach[2]

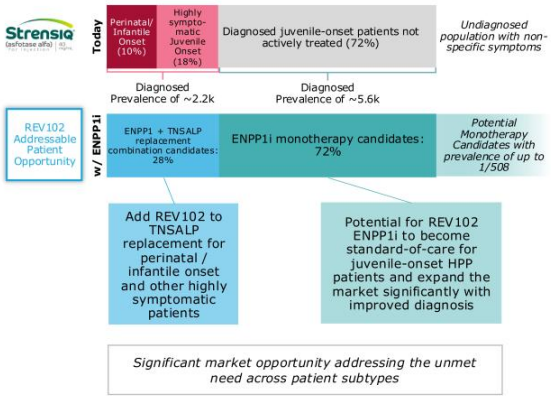
- **Precision designed for** both **high potency** and a lifetime of **chronic dosing**
- **Structurally distinct** differences vs competitor ENPP1 inhibitors
- **Maintain selectivity** and deliver a candidate with **high oral bioavailability** in the clinic

 1. HPP prevalence at birth. Mornet et al, 2020. 2. Joint Venture with Rallybio

REV102 (ENPP1 Inhibitor): OS insights validated using in vivo mouse model showing significant difference in restoring HPP biomarker that promotes bone mineralization

Market Opportunity[1]

Estimated **Diagnosed Prevalence**
Hypophosphatasia Patients in **US**

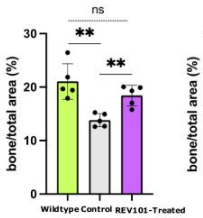


Significant market opportunity addressing the unmet need across patient subtypes

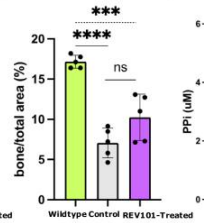
Key Preclinical Data[2]

Bone Morphometry
2D Analysis of Trabecular Bones

L3 Vertebrate
(n=5, females)

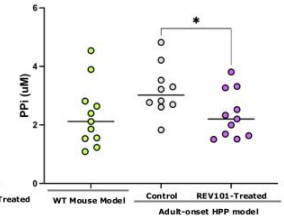


Distal Femur
(n=5, males)



Plasma Levels of PPi
After 100-Day Dosing

PPi lowered by ~30% in adult HPP mice when treated with REV101



Data is for REV101 (1st gen tool compound); compound being developed is REV102

What's Next

- **Development candidate nomination** expected in Q4 2024

1. EvaluatePharma and https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7868366/, https://bmcmusculoskeletdisord.biomedcentral.com/articles/10.1186/s12891-019-2420-8, Trinity Market Research 2021. 2. Narisawa et al. ASBMR (2024)

Recursion

REC-2282: Pan-HDAC Inhibitor

CNS-penetrating pan-HDAC inhibitor for the first oral therapeutic to treat Neurofibromatosis Type 2 (NF2)

Program Status	• Potential **First-in-Disease and Best-in-Class** therapy for NF2 mutant meningioma • **Data maturing** with PFS6 results expected H1 2025
Mechanism of Action	• **Orally bioavailable, CNS penetrant, and potent** pan-HDAC inhibitor • **Loss of Merlin** (*NF2*) leads to PI3K signaling and meningioma proliferation REC-2282 indirectly facilitates AKT dephosphorylation by disrupting the PP1-HDAC interaction
Thesis & Differentiation	• **Develop the first therapeutic** for NF2 meningioma • Highly selective molecule with favorable brain exposure and reduced risk of cardiac toxicity
Unmet Need[1]	• **No approved therapy for ~33,000** NF2 meningioma patients beyond surgery • Surgery only feasible in a limited number of patients and carries high rate of recurrence[2]

Recursion Approach

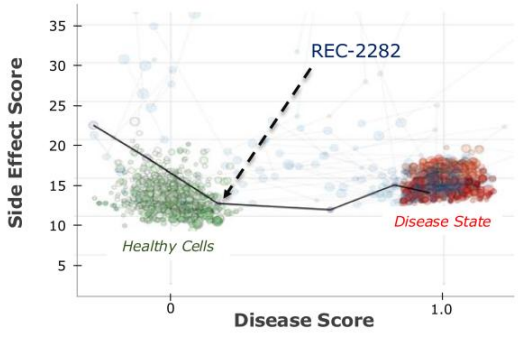
- Unbiased **ML-aided phenomap insight and drug screen** in human cells
- Identify effective therapeutics that **rescue disease-inducing effects of *NF2*** loss

 1. US + EU5 treatable incidence for all NF2-driven meningiomas. 2. Rogers et al. J Neurosurg, (2015)

REC-2282 (Pan-HDAC Inhibitor): Identified as a unique HDAC inhibitor in Recursion's unbiased screen modeling NF2 loss-of-function

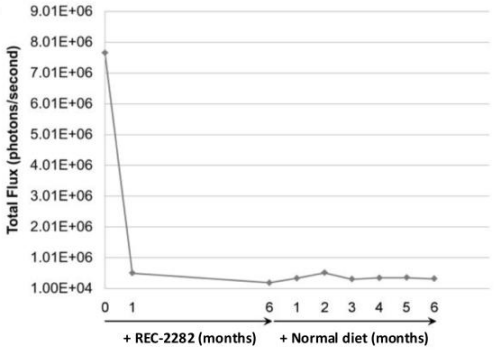
Recursion OS Insight

REC-2282 demonstrates concentration-dependent reversal of NF2 loss



Key Preclinical Data[1]

Prevents growth & regrowth of NF2-deficient meningioma model in mice



 1. Data on File

REC-2282 (Pan-HDAC Inhibitor): Study Design and Next Steps

Development Strategy

POPLAR Phase 2/3 study design

REC-2282 Phase 2 Portion
Open-label, 2-arm study

24 Patients
Allocated 1:1

40 mg | 60 mg

Primary Endpoint:
- PFS6

Secondary Endpoint:
- Safety, ORR

Key Eligibility

- MRI-confirmed progressive meningioma
- Sporadic meningioma with confirmed NF2 mutation
- Familial NF2 meningioma
- Have documented progression with past 24 months

REC-2282 Competitive Profile

- Orally bioavailable and CNS penetrant
- **Fast Track Designation** in NF2 granted by FDA in 2021
- **ODD** in US and EU

Trial Update

- Phase 2 **Data maturing**
- Futility analysis (PFS6) expected in **H1 2025**

PIPELINE

Other areas of high unmet need

Recursion

REC-3964: *C. difficile* Toxin B Selective Inhibitor

Non-antibiotic selective toxin-inhibitor for the prevention of recurrent *C. difficile* infection (rCDI)

Program Status	• **First-in-Class** therapy for prevention rCDI • **First Patient Dosed** in the Phase 2 ALDER trial expected **in Q4 2024** • Phase 2 update expected **in Q1 2026**
Mechanism of Action	• **Highly potent**, **orally bioavailable** *C. diff* toxin B (TcdB) selective inhibitor • **Selectively inhibits** catalytic activity of **bacterial** glucosyltransferase
Thesis & Differentiation	• Develop the **first non-antibiotic oral therapy** that is safe and convenient • **Selectively targets bacterial toxin** while sparing the host to minimize adverse events • Preclinical efficacy demonstrates **superiority** in survival **versus bezlotoxumab**
Unmet Need[1]	• **~175,000 cases of rCDI** with limited treatment options for high-risk population • Ability to address populations **not eligible** for **FMT** or **microbiome-based therapies**

Recursion Approach

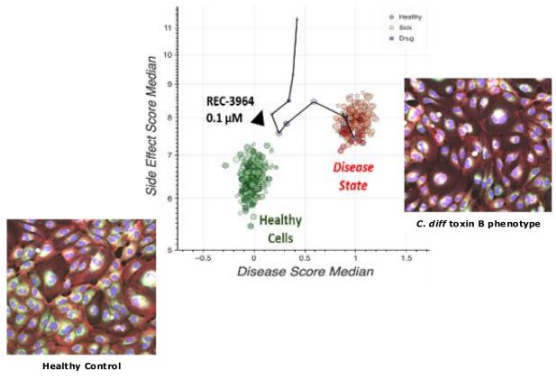
- Unbiased **ML-aided conditional phenotypic** drug screen in **human cells**
- Identified **novel mechanisms** that mitigated the effect of *C. diff.* toxin B treatment

1. Incidence of addressable US cases of recurrent CDI, Shields et al., Anaerobe (2016)

REC-3964 (CDI TcdB Inhibitor): Identified as potential superior inhibitor compared to SOC in in vitro and in vivo preclinical studies

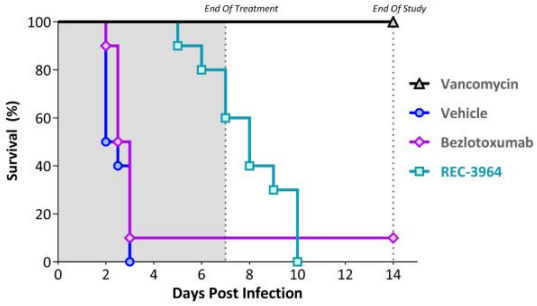
Recursion OS Insight

REC-3964 potently inhibits Toxin B with some activity against Toxin A, while bezlotoxumab is specific to Toxin B



Key Preclinical Data[1]

REC-3964 significantly extended survival vs. bezlotoxumab alone at the end of treatment ($p<0.001$, log rank test)



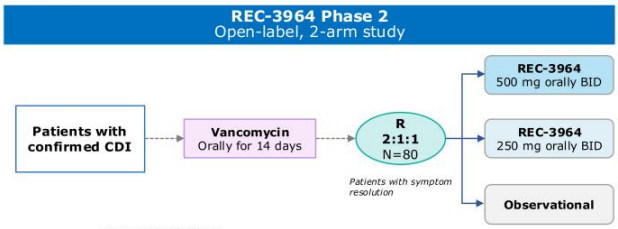
1. N=10 hamsters per group. *C. difficile* strain 630, Data on File Data on File

Recursion

REC-3964 (CDI TcdB Inhibitor): Study Design and Next Steps

Development Strategy

ALDER Phase 2 study design



Key Eligibility

- High-risk of CDI
- ≥3 bowel movements in 24 hours
- Confirm CDI using EIA (toxin)
- No fulminant CDI
- No history of chronic diarrheal illness due to other causes

Primary Endpoint:
- Rate of recurrence

Secondary Endpoint:
- Additional efficacy measures
- Safety / tolerability
- PK

REC-3964 Competitive Profile

- **Highly potent**, orally bioavailable
- Potential **First-in-Class** therapy for prevention of rCDI
- First non-antibiotic oral therapy

Trial Update

- First Patient Dosed expected in **Q4 2024**
- Program update expected **Q1 2026**

Recursion

REC-4209: Target Epsilon

Highly potent and potential First-in-Class medicine for the treatment of Idiopathic Pulmonary Fibrosis (IPF)

Program Status	• **First-in-Class** therapeutic for treatment of IPF • **IND submission** expected in **2025** • **Phase 1** study in healthy volunteers expected to initiate in **2025**
Mechanism of Action	• Reversible, orally bioavailable, and potent Target Epsilon inhibitor • Promotes tissue repair and reverses fibrosis by potentially modulating TGF-ß
Thesis & Differentiation	• Develop a novel preferred treatment option that is **safe** and **well-tolerated** • **In vitro models suggest** capability of reversing the fibrotic process driving IPF progression
Unmet Need[1]	• **~130,000** patients with IPF in the US • Approved therapies show **modest slowing of IPF progression** • **No improvement** in **survival** (mOS 3-5 years) or **quality of life** with current treatments

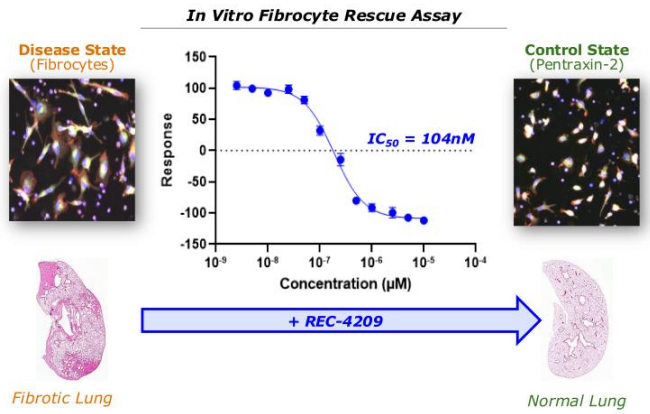
Recursion Approach

- Unbiased **ML-powered phenomap drug screen** in human cells
- Identify **novel mechanisms** that reversed the differentiation of fibrocytes

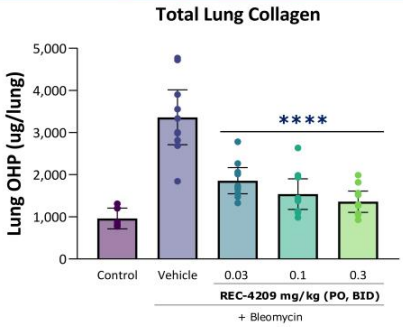
1. Global Data, Internal company estimates on IPF prevalence, Collard et al., Chest (2014)

REC-4209 (Target Epsilon): Identified as a novel mechanism in Recursion's screen with compelling preclinical efficacy demonstrated in bleomycin lung fibrosis mouse model

Recursion OS Insights[1]



Key Preclinical Data[2]



- REC-4209 at low doses reduces total lung collagen by 45% to 60% versus vehicle mice

What's Next

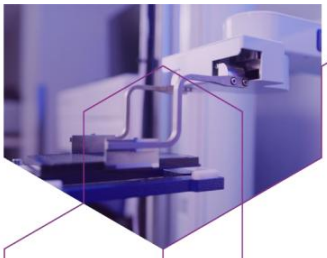
- **IND-enabling studies ongoing**

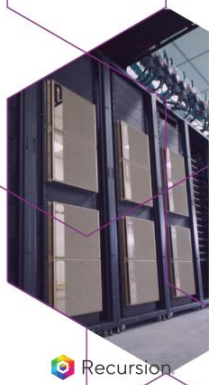
1. Data on File
2. Groups (n=10 per group; n=6 in control) compared against Vehicle. ****p<0.0001; one-way ANOVA with Tukey's multiple comparison test. Data reflects mean ± 95% CI

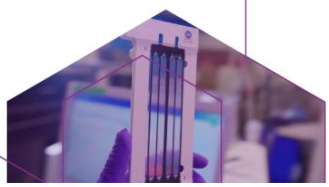
Recursion

APPENDIX

Partnerships & Data Strategy Details







Recursion

Exciting scientific collaborations span biopharma, tech & data

Therapeutic discovery partnerships

Roche / Genentech
Announced Dec. 2021

- Up to or exceeding **$300M in possible program milestones** for up to **40 programs**
- **One program** and **one map** already **optioned**
- **Mid- to high-single digit tiered royalties** on net sales

sanofi
Announced Jan. 2022

- **$100M upfront** with the potential of **$5.2B in total milestones plus high-single digit to mid-teen tiered royalties**
- Up to **15 novel small molecule candidates** across **oncology and immunology**
- **New discovery stage program added** identified and initially advanced by Exscientia in Dec. 2023
- **3 programs advanced** through initial milestones

BAYER
Announced Sept. 2020
Updated Nov. 2023

- **$30M upfront** and **$50M equity investment**
- Increased per program milestones which may be **up to $1.5B** in aggregate for up to 7 oncology programs
- **Low- to mid-single digit royalties** on net sales
- **Recursion owns all algorithmic improvements**
- **First beta-user of LOWE**

Merck KGaA Darmstadt, Germany
Announced Sept. 2023

- **$20M upfront** at initiation for three projects with up to **$674M in discovery, development, regulatory and sales-based milestones**
- **Mid-single to low-double digit tiered royalties**

Exciting scientific collaborations span biopharma, tech & data

Platform, technology, and data partnerships

Computation and ML/AI

NVIDIA — Announced July 2023

- **$50M equity investment**
- Partnership on **advanced computation** (e.g., foundation model development)
- **Priority access** to compute hardware or **DGXCloud Resources**
- **BioHive-2**: helped design and build **next generation supercomputer**

Google Cloud — Announced Oct. 2024

- Includes exploring generative AI capabilities (including **Gemini models**) and driving improved search and access with **BigQuery**
- Scaled compute resources, improved management of petabytes of RX data, and continued data privacy and security support
- Recursion will also explore **making some of its AI models available on Google Cloud**

Real-world data access

TEMPUS — Announced Nov. 2023

- **Preferential access to >20 PBs of real-world, multi-modal oncology data**, including DNA & RNA sequencing and clinical outcome data for >100,000 patients
- Ability to train **causal AI models** with utility in **target discovery, biomarker development & patient selection**
- **Opportunity to accelerate clinical trial enrollment** through broad clinical network

Helix — Announced May 2024

- Access to hundreds of thousands of de-identified records, including Helix's Exome+(R) **genomics & longitudinal health data**, to train **causal AI models** and design **biomarker & patient stratification strategies** across broad disease areas

Cheminformatics and chemical synthesis

Enamine — Announced Dec. 2023

- Utilizes Recursion's **predicted protein-ligand interactions for ~36B compounds** from Enamine's REAL Library
- Aim to generate **enriched screening libraries** & co-brand customer offerings

Announcing OpenPhenom for non-commercial use

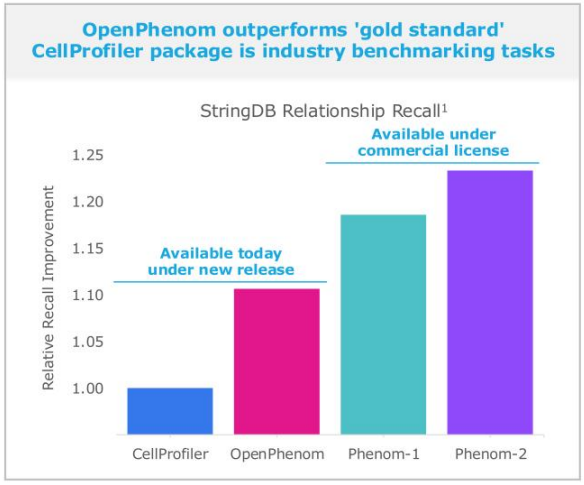
AVAILABLE ON:

Hugging Face Google Cloud

COMING SOON TO:

NVIDIA

- Publicly accessible Foundation Model for microscopy data workflows
- Replaces legacy image segmentation and feature extraction software packages for non-commercial applications



1. Recall of known biological relationships (gene-gene) annotated in StringDB using the public JUMP-CP dataset


Recursion

Recursion and Exscientia, two leaders in the AI drug discovery space, have officially combined to advance the industrialization of drug discovery

- Recursion unveils post-combination technology-enabled portfolio with more than 10 clinical and preclinical programs, 10 advanced discovery programs, and more than 10 partnered programs
- Platform will focus on first and best-in-class drug discovery and development, demonstrating the ability to find novel insights and dramatically reduce the time and cost of discovery
- Recursion will host an update call today, November 20, 2024 at 7:30 a.m. ET / 5:30 a.m. MT / 12:30 p.m. GMT on LinkedIn, X and Youtube

Salt Lake City, November 20, 2024: The business combination of two AI-powered drug discovery and development companies, Recursion (Nasdaq: RXRX) and Exscientia has been completed, with Exscientia becoming a wholly owned subsidiary of Recursion creating a vertically-integrated and technology-enabled drug discovery platform. Exscientia ADSs (Nasdaq: EXAI) ceased trading and will be delisted from Nasdaq.

“I believe the combination of the incredible teams and platforms at Exscientia and Recursion position us as the leader of the AI-enabled drug discovery and development space,” said Chris Gibson, Ph.D., Co-Founder and CEO of Recursion. “With more than 10 clinical and preclinical programs in the internal pipeline, more than 10 partnered programs and over $450M in upfront and realized milestone payments received from partners to date out of more than $20B possible, we are advancing a flywheel of discovery and creating value in our pipeline through technology.”

“The combination of our platforms and people make us the company to beat,” said David Hallett, Ph.D., former CSO and Interim CEO of Exscientia and newly appointed Chief Scientific Officer at Recursion. “With our combined strength of real-world proprietary data and the models we’ve created – hypothesizing, testing and learning in a continuous loop – we're redefining the space by shrinking timelines and costs, identifying and optimizing lead candidates faster than traditional methods.”

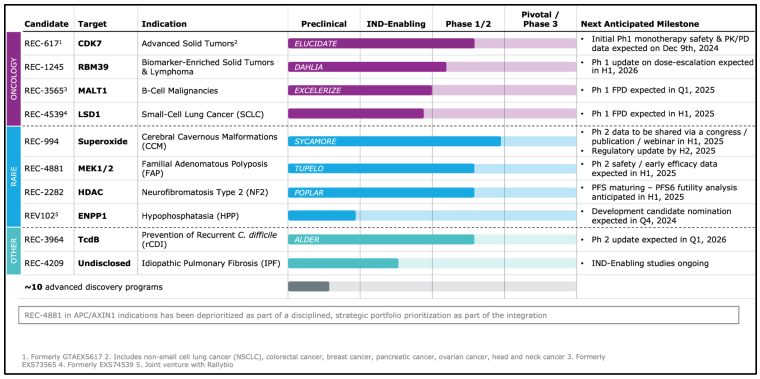
The Company is pleased to share updates on the combined entity’s pipeline, partnerships, and platform below:

Pipeline

The combined pipeline represents more than 10 clinical and preclinical programs. In addition there are approximately 10 advanced discovery programs in the current pipeline.

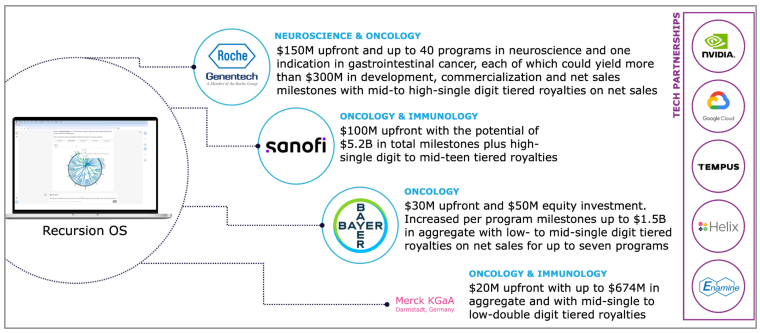
Updated guidance is bulleted below as well as a snapshot of our pipeline:

- REC-617 (CDK7 inhibitor; Advanced Solid Tumors): Initial Phase 1 monotherapy safety and PK/PD data expected at the AACR Special Conference on December 9th 2024, and a webinar to follow on December 10th 2024.
- REV102 (ENPP1 inhibitor; Hypophosphatasia): Development candidate nomination expected in Q4 2024
- REC-4881 (MEK1/2 inhibitor, Familial Adenomatous Polyposis): Phase 1b/2 safety and early efficacy data expected in H1 2025
- REC-2282 (pan-HDAC inhibitor; Neurofibromatosis Type 2): PFS6 futility analysis expected by H1 2025
- REC-3565 (MALT1 inhibitor, B-Cell Malignancies): Phase 1 first patient dosed (FPD) expected in Q1 2025
- REC-4539 (LSD1 inhibitor, Small-Cell Lung Cancer): Phase 1 first patient dosed (FPD) expected in H1 2025
- REC-994 (Superoxide scavenger, Cerebral Cavernous Malformation): Further data to be shared at an upcoming medical conference / publication / webinar in H1 2025; regulatory update expected by H2 2025
- REC-394 (C. difficile Toxin B selective inhibitor, C. difficile): Phase 2 update expected in Q1 2026
- REC-1245 (RBM39 degrader; Solid Tumors and Lymphoma): Phase 1 dose-escalation data update expected in H1 2026
- REC-4209 (undisclosed target; Idiopathic Pulmonary Fibrosis): IND-enabling studies are ongoing
- REC-4881 in APC/AXIN1 indications have been deprioritized as part of a disciplined strategic prioritization of the portfolio. Study status will be updated on clinicaltrials.gov



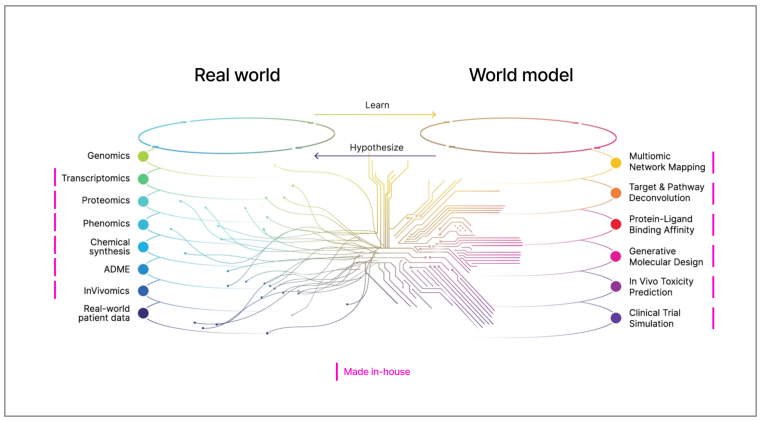
Partnerships

The combined company's therapeutic partnerships represent more than 10 partnered programs in areas such as oncology and immunology. The combined company has received approximately $450M in upfront and milestone payments from partnerships to date. Through these partnerships, we have the potential to receive more than approximately $20B in additional milestone payments before royalties.



Platform

With chemical design and synthesis methods from Exscientia and over 60 petabytes of proprietary data generated in house or licensed from partners like Helix and Tempus, the combined entity will strengthen the Recursion OS to be a first-in-class and best-in-class drug discovery and development platform.



The platform will continue to drive iterative loops of hypotheses and active learning all the way from research to development, with the goal of eventually creating virtual cells that will allow the company to execute clinical trials at scale.

Company, Board, and Leadership Updates

The combined company will have approximately 800 employees with the headquarters remaining in Salt Lake City, and primary offices in Toronto, Montreal, Milpitas, New York, the Oxford area, and London.

Individual board and executive leadership changes of Recursion, effective as of November 20, 2024, are summarized below:

- Franziska Michor, a former member of the Board of Directors of Exscientia, was appointed as a Class II Director of the Board of Directors of Recursion, with her initial term to extend until the 2026 Annual Meeting of Stockholders of Recursion.
- Ben Taylor, former Chief Financial and Strategy Officer of Exscientia, was appointed as the Chief Financial Officer of the Company and President of Recursion UK.
- Dave Hallett, former Interim Chief Executive Officer of Exscientia, was appointed as Chief Scientific Officer of the Company.
- Kristen Rushton, Chief Business Operations Officer of the Company, was promoted to Chief Operating Officer of the Company.
- Matthew Kinn, Senior Vice President, Business Development and Corporate Initiatives of the Company was promoted to serve as Chief Business Officer of the Company.

- Lina Nilsson, Senior Vice President, Emerging Technologies of the Company, was promoted to serve on the executive team as Senior Vice President, Head of Platform of the Company.
- Michael Secora, Tina Marriott, and Laura Schaevitz will transition from their executive roles into advisor roles for the combined company. All three have provided many years of dedicated service to the Company and we wish to express our heartfelt gratitude for each of them. Recursion would not be where it is today without their dedication and efforts.

Update Call Information

Recursion will host an update call today at 7:30 a.m. ET / 5:30 a.m. MT / 12:30 p.m. GMT. The Company will broadcast the live stream from Recursion's X (formerly Twitter), LinkedIn and YouTube accounts, and on Exscientia's LinkedIn account. Questions can be submitted via this link ahead of time or during the livestream.

About Recursion
Recursion is a leading, clinical-stage TechBio company decoding biology to industrialize drug discovery. Central to its mission is the Recursion Operating System (OS), a platform built across diverse technologies that continuously expands one of the world's largest proprietary biological, chemical and patient-centric datasets. Recursion leverages sophisticated machine-learning algorithms to distill from its dataset a collection of trillions of searchable relationships across biology and chemistry unconstrained by human bias. By commanding massive experimental scale—up to millions of wet lab experiments weekly—and massive computational scale—owning and operating one of the most powerful supercomputers in the world—Recursion is uniting technology, biology, chemistry and patient-centric data to advance the future of medicine.

Recursion is headquartered in Salt Lake City, where it is a founding member of BioHive, the Utah life sciences industry collective. Recursion also has other primary offices in Toronto, Montreal, the San Francisco Bay Area, New York, the Oxford area, and London.

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Forward Looking Statements

Statements contained herein which are not historical facts may be considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "should," "will," or words of similar meaning and include, but are not limited to, statements regarding the leadership position of the combined company and its impact on the industry; the

ability for the combined business to accelerate the discovery of better solutions for patients; the timing of IND submissions and IND enabling studies; the potential to receive upfront, milestone, and royalty payments and work on over 60 therapeutic programs; the strengthening of the Recursion OS through the combined company; the continued learning of Recursion's platform and the creation of virtual cells to enable execution of clinical trials at scale; Recursion's achievement of efficiencies; the continuous expansion of the Recursion OS datasets; and advancing the future of medicine; the outlook for Recursion's future business and financial performance; and others. Such forward-looking statements are based on the current beliefs of Recursion's management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward-looking statements based on a variety of risks and uncertainties including: the ability of the combined company to retain key personnel; the ability to realize the benefits of the combination, including cost synergies; the ability to successfully integrate Exscientia's business with Recursion's business, at all or in a timely manner; the amount of the costs, fees, expenses and charges related to the combination; the effect of economic, market or business conditions, including competition, regulatory approvals and commercializing drug candidates, or changes in such conditions, have on the combined company's operations, revenue, cash flow, operating expenses, employee hiring and retention, relationships with business partners, the development or launch of technology enabled drug discovery, and commercializing drug candidates; the risks of conducting business internationally; the impact of changes in interest rates by the Federal Reserve and other central banks; the impact of potential inflation, volatility in foreign currency exchange rates and supply chain disruptions; the ability to maintain technology-enabled drug discovery in the biopharma industry; and risks relating to the market value of Recursion's Class A common stock.

Other important factors and information are contained in Recursion's most recent Annual Report on Form 10-K, including the risks summarized in the section entitled "Risk Factors," Recursion's subsequent Quarterly Reports on Form 10-Q, the joint definitive proxy statement filed by Recursion and Exscientia on October 10, 2024, as amended by the supplemental disclosures filed by Recursion on November 6, 2024, and each of Recursion's other filings with the U.S. Securities and Exchange Commission (the "SEC"), which can be accessed at https://ir.recursion.com, or www.sec.gov. All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. Recursion undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Exscientia plc

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive (Loss)/Income ***for the three and nine months ended September 30, 2024 and 2023***

	Note	Three months ended September 30, 2024 £'000	2023 £'000	Nine months ended September 30, 2024 £'000	2023 £'000
Revenue	4	**4,930**	**8,882**	**14,639**	**17,649**
Cost of sales		(7,530)	(6,742)	(22,696)	(21,468)
Gross (loss)/profit		**(2,600)**	**2,140**	**(8,057)**	**(3,819)**
Research and development expenses		(27,234)	(32,608)	(75,906)	(99,013)
General and administrative expenses		(25,298)	(11,141)	(45,529)	(33,689)
Foreign exchange (losses)/gains		(2,221)	3,272	(1,294)	1,628
Other income	5	2,577	1,116	9,793	5,554
Operating loss	6	**(54,776)**	**(37,221)**	**(120,993)**	**(129,339)**
Finance income	7	3,363	4,436	11,067	12,213
Finance expenses		(277)	(263)	(839)	(799)
Share of loss of joint venture	12	(488)	(535)	(1,412)	(1,149)
Loss before taxation		**(52,178)**	**(33,583)**	**(112,177)**	**(119,074)**
Income tax benefit	8	45	2,369	2,799	14,246
Loss for the period		**(52,133)**	**(31,214)**	**(109,378)**	**(104,828)**
Other comprehensive (loss)/income:					
Items that may be reclassified to profit or loss					
Foreign currency (loss)/gain on translation of foreign operations		(1,056)	546	(2,220)	(1,135)
Total other comprehensive (loss)/income for the period, net of tax		**(1,056)**	**546**	**(2,220)**	**(1,135)**
Total comprehensive loss for the period		**(53,189)**	**(30,668)**	**(111,598)**	**(105,963)**
Basic and diluted loss per share (£)	9	**(0.40)**	**(0.25)**	**(0.86)**	**(0.85)**

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

Unaudited Condensed Consolidated Statement of Financial Position
as at September 30, 2024 and December 31, 2023

	Note	September 30, 2024 £'000	December 31, 2023 £'000
ASSETS			
Non-current assets			
Goodwill	**10**	5,951	6,186
Other intangible assets, net	**10**	46,680	28,459
Property, plant and equipment, net	**11**	40,993	48,954
Investment in joint venture	**12**	321	173
Right-of-use assets, net	**13**	15,049	18,513
Finance lease receivable	**13**	1,714	—
Other receivables	**14**	639	663
Investments in equity instruments	**15**	—	2,145
Deferred tax asset, net		907	690
Total non-current assets		**112,254**	**105,783**
Current assets			
Trade receivables		11,314	3,372
Finance lease receivable	**13**	79	—
Other receivables	**14**	9,530	15,351
Current tax assets		34,159	23,166
Short term bank deposits	**15**	126,287	103,586
Cash and cash equivalents		117,789	259,463
Total current assets		**299,158**	**404,938**
Total assets		**411,412**	**510,721**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**16**	65	63
Share premium		372,272	364,639
Capital redemption reserve		3	3
Foreign exchange reserve		(1,728)	492
Share-based payment reserve		33,291	46,984
Fair value reserve		—	(199)
Merger reserve		54,213	54,213
Accumulated losses		(202,697)	(110,469)
Total equity attributable to owners of the parent		**255,419**	**355,726**

Unaudited Condensed Consolidated Statement of Financial Position
as at September 30, 2024 and December 31, 2023 (continued)

	Note	September 30, 2024 £'000	December 31, 2023 £'000
LIABILITIES			
Non-current liabilities			
Loans		294	306
Lease liabilities	**13**	15,104	16,221
Deferred tax liability, net		4,540	5,774
Contract liabilities and other advances	**17**	68,742	65,466
Provisions	**18**	1,372	2,157
Total non-current liabilities		**90,052**	**89,924**
Current liabilities			
Trade payables		7,475	11,336
Lease liabilities	**13**	3,171	2,396
Contract liabilities and other advances	**17**	20,132	27,006
Other payables	**19**	35,163	24,333
Total current liabilities		**65,941**	**65,071**
Total liabilities		**155,993**	**154,995**
Total equity and liabilities		**411,412**	**510,721**

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

Unaudited Condensed Consolidated Statement of Changes in Equity
for the nine months ended September 30, 2024 and 2023

	Share capital	Share premium	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
As at July 1, 2023	**62**	**364,618**	**3**	**143**	**44,864**	**(199)**	**54,213**	**(46,432)**	**417,272**
Loss for the period	—	—	—	—	—	—		(31,214)	(31,214)
Foreign exchange gain on translation of subsidiaries	—	—	—	546	—	—	—	—	546
Total comprehensive loss for the period	**—**	**—**	**—**	**546**	**—**	**—**	**—**	**(31,214)**	**(30,668)**
Share-based payment charge	—	—	—	—	6,357	—	—	—	6,357
Exercise of share-based payment awards	—	11	—	—	(5,132)	—	—	5,132	11
As at September 30, 2023	**62**	**364,629**	**3**	**689**	**46,089**	**(199)**	**54,213**	**(72,514)**	**392,972**
As at July 1, 2024	**64**	**364,658**	**3**	**(672)**	**35,975**	**(199)**	**54,213**	**(158,007)**	**296,035**
Loss for the period	—	—	—	—	—	—		(52,133)	(52,133)
Re-classification of fair value reserve on disposal of investment	—	—	—	—	—	199	—	(199)	—
Foreign exchange loss on translation of subsidiaries	—	—	—	(1,056)	—	—	—	—	(1,056)
Total comprehensive loss for the period	**—**	**—**	**—**	**(1,056)**	**—**	**199**	**—**	**(52,332)**	**(53,189)**
Share-based payment charge	—	—	—	—	5,041	—	—	—	5,041
Issue of shares in relation to IP purchase	1	7,578	—	—	—	—	—	—	7,579
Exercise of share-based payment awards	—	36	—	—	(7,725)	—	—	7,642	(47)
As at September 30, 2024	**65**	**372,272**	**3**	**(1,728)**	**33,291**	**—**	**54,213**	**(202,697)**	**255,419**

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

Unaudited Condensed Consolidated Statement of Financial Position
as at September 30, 2024 and December 31, 2023

	Share capital	Share premium	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
As at January 1, 2023	**61**	**364,603**	**3**	**1,824**	**35,267**	**(199)**	**54,213**	**23,106**	**478,878**
Loss for the period	—	—	—	—	—	—	—	(104,828)	(104,828)
Foreign exchange loss on translation of subsidiaries	—	—	—	(1,135)	—	—	—	—	(1,135)
Total comprehensive loss for the period	**—**	**—**	**—**	**(1,135)**	**—**	**—**	**—**	**(104,828)**	**(105,963)**
Share-based payment charge	—	—	—	—	20,150	—	—	—	20,150
Exercise of share-based payment awards	1	26	—	—	(9,328)	—	—	9,208	(93)
As at September 30, 2023	**62**	**364,629**	**3**	**689**	**46,089**	**(199)**	**54,213**	**(72,514)**	**392,972**
As at January 1, 2024	**63**	**364,639**	**3**	**492**	**46,984**	**(199)**	**54,213**	**(110,469)**	**355,726**
Loss for the period	—	—	—	—	—	—	—	(109,378)	(109,378)
Re-classification of fair value reserve on disposal of investment	—	—	—	—	—	199	—	(199)	—
Foreign exchange loss on translation of subsidiaries	—	—	—	(2,220)	—	—	—	—	(2,220)
Total comprehensive loss for the period	**—**	**—**	**—**	**(2,220)**	**—**	**199**	**—**	**(109,577)**	**(111,598)**
Share-based payment charge	—	—	—	—	3,961	—	—	—	3,961
Issue of shares on IP purchase	1	7,578	—	—	—	—	—	—	7,579
Exercise of share-based payment awards*	1	55	—	—	(17,654)	—	—	17,349	(249)
As at September 30, 2024	**65**	**372,272**	**3**	**(1,728)**	**33,291**	**—**	**54,213**	**(202,697)**	**255,419**

*includes amounts transferred from the share-based payment reserve to accumulated losses relating to vested share options that were forfeited during the period, see note 21.

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

Unaudited Condensed Consolidated Statement of Cash Flows
for the nine months ended September 30, 2024 and 2023

	Note	September 30, 2024 £'000	September 30, 2023 £'000
Cash flows from operating activities			
Loss before tax		(112,177)	(119,074)
Adjustments to reconcile loss before tax to net cash flows from operating activities:			
Depreciation of right-of-use assets	**6**	2,937	2,648
Depreciation of property, plant and equipment	**11**	7,741	5,018
Amortisation of intangible assets	**10**	3,426	3,499
Impairment of right-of-use assets	**13**	1,052	—
Impairment of plant and equipment	**11**	1,991	—
Loss on disposal of plant and equipment	**11**	164	—
Loss recognised from joint venture	**12**	1,412	1,149
Finance income	**7**	(11,067)	(12,213)
Finance expenses		839	799
R&D expenditure tax credits	**5**	(9,414)	(4,343)
Share-based payment charge	**21**	3,961	20,150
Foreign exchange loss/(gain)		1,423	(1,363)
Changes in working capital:			
Increase in trade receivables		(7,943)	(19,503)
Decrease/(increase) in other receivables and contract assets		875	(47)
Decrease in contract liabilities and other advances		(3,598)	(8,081)
Decrease in trade payables		(2,415)	(15,679)
Increase in other payables		11,917	12,553
Decrease in inventories		—	50
Interest received		5,367	6,857
Interest paid		(5)	(11)
R&D expenditure tax credits received		—	1,881
Income taxes received		—	7,015
Income taxes paid		(334)	(135)
Net cash flows used in operating activities		**(103,848)**	**(118,830)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,719)	(23,202)
Purchase of intangible assets	**10**	(7,925)	(189)
Additional investment in joint venture	**12**	(1,549)	(1,206)
Redemption of short term bank deposits	**15**	258,085	102,350
Cash invested in short term bank deposits	**15**	(275,000)	(250,860)
Net cash flows used in investing activities		**(31,108)**	**(173,107)**

Unaudited Condensed Consolidated Statement of Cash Flows
for the nine months ended September 30, 2024 and 2023 (continued)

	Note	September 30, 2024 £'000	September 30, 2023 £'000
Cash flows from financing activities			
Proceeds from issue of share capital, net of transactions costs		56	27
Cash paid on net settlement of share based payments	**21**	(307)	(121)
Payments of obligations under lease liabilities		(3,963)	(2,428)
Net cash flows used in financing activities		**(4,214)**	**(2,522)**
Net decrease in cash and cash equivalents		(139,170)	(294,459)
Exchange loss on cash and cash equivalents		(2,504)	(835)
Cash and cash equivalents at the beginning of the year		259,463	404,577
Cash and cash equivalents at the end of the period		**117,789**	**109,283**
Supplemental non-cash investing information			
Change in capital expenditures recorded within trade payables		(1,447)	4,747
Change in capital expenditures recorded within other payables		(1,088)	1,263
Issue of share capital relating to the purchase of intangible assets		7,579	—
Forgiveness of other receivable relating to the purchase of intangible assets		4,951	—

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

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 nine months ended September 30, 2024 and 2023.

Exscientia plc is a public company incorporated in England and Wales and during the nine months ended September 30, 2024 had the following wholly owned subsidiaries: Exscientia (UK) Holdings Limited, Exscientia AI Limited ("Exscientia AI"), 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. Exscientia KK was liquidated on April 4, 2024.

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 nine months ended September 30, 2024 and 2023 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, 2023 except for the estimation of income tax (see note 8).

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, 2023.

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. 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 November 6, 2024 and signed on its behalf by David Hallett, Ph.D., Interim Chief Executive Officer of the Company.

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 September 30, 2024.

2. Accounting policies (continued)

c) Going concern

Management has undertaken a detailed cash flow forecast to assess the Group's ability to continue as a going concern. Management's base case scenario has a cash out date of early 2027 and a severe but plausible downside scenario forecasting sufficient liquidity well into 2026. As such on a standalone basis the Board has a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future.

On August 8, 2024, the Company entered into a transaction agreement with Recursion Pharmaceuticals, Inc., a Delaware corporation ("Recursion"), whereby, subject to conditions, Recursion will acquire the Company's entire issued and to be issued share capital (the "Business Combination"). The Board's expectation is that the proposed Business Combination will provide the combined Group with the resources, internal pipeline and portfolio of pharmaceutical partnerships to achieve continued success over the coming years. Based on discussions between Recursion and the Group up to November 8, 2024, 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, and as such the Group has prepared these financial statements under the going concern assumption.

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

There have been no new or revised accounting standards that have had a material 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, 2023. 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.

e) Material accounting policies

The significant accounting policies are disclosed in the consolidated financial statements of the Group for the year ended December 31, 2023. There have been no changes to existing accounting policies for the three and nine months ended September 30, 2024.

3. Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions. These judgements, 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, 2023 with the exception of changes to the Group's estimates in relation to UK research and development tax credits.

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.

3. Critical accounting estimates and judgements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

UK research and development tax credits- R&D intensity

The Company has historically received income in the form of cash tax credits relating to the U.K. Research and Development Tax Credit Scheme that is applicable to small and medium sized companies ("SMEs") (the "SME TCS"), recognised within income tax benefit. Research and development costs which are not eligible for reimbursement under the SME TCS, such as expenditure incurred on research projects for which the group receives income, may be reimbursed under the U.K. R&D expenditure credit ("RDEC") scheme. Amounts receivable under the RDEC scheme are presented within other income, with a notional tax charge deducted from income tax benefit at the prevailing rate of income tax.

Under the U.K. Research and Development Tax Credit Scheme the Company is able to surrender some of its losses for a cash rebate of up to 18.6% 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. A higher rate of cash rebate, of up to 26.97% of qualifying research and development expenditure, could be available if the Group were to qualify as an "R&D intensive" SME for relevant periods (broadly, a loss making SME whose qualifying R&D expenditure represents 40% (or, from April 1, 2024, 30%) or more of its total expenditure for that accounting period.

During the three months ended March 31, 2024 it was estimated that the Group would not meet the requirements to be eligible for this higher rate in relation to either of its 2023 and 2024 claims due to the definition in the legislation of the relevant R&D expenditure (which has been restricted to exclude expenditure eligible under the RDEC scheme), and as such the Group's income tax benefit for those periods was calculated at the lower, 18.6%, rate.

Based on updated guidance from His Majesty's Revenue and Customs that claims including RDEC qualifying expenditure within the relevant R&D expenditure utilised within the eligibility calculations would be permitted, the Group now expects to qualify as R&D intensive for the year to December 31, 2023, and has recognised an additional income tax benefit of £3,961,000 during the nine months ended September 30, 2024 in relation to its 2023 claim.

UK research and development tax credits - availability of the U.K. Research and Development Tax Credit Scheme

As disclosed in note 2(c), the Company entered into a transaction agreement with Recursion on August 8, 2024, whereby, subject to conditions, Recursion will acquire the Company's entire issued and to be issued share capital. In accordance with the terms of the SME TCS, the Company will no longer qualify for the scheme during the accounting period in which the proposed Business Combination completes, with expenditures that would previously have been eligible for inclusion in the SME TCS instead being eligible for inclusion in the RDEC scheme.

It is the Company's current best estimate that the proposed Business Combination will complete by December 31, 2024, and as such that the Group will not be eligible to receive cash tax credits under the SME TCS in relation to research and development expenses incurred within calendar year 2024. Accordingly, amounts included within other income and income tax benefit during the three and nine months ended September 30, 2024 have been calculated on the basis of a claim being submitted for calendar year 2024 under the RDEC scheme only. Were the Business

Combination to complete after December 31, 2024, the Company would expect to be eligible to make a claim under the SME TCS for qualifying expenditures incurred during calendar year 2024.

The rules of the UK's R&D tax regimes are complex, and if a tax authority were to challenge or seek to disallow our claims (in whole or in part), for example by asserting that we do not (or the relevant expenditure does not) meet the technical conditions to be granted tax credits (or cash rebates), then such challenge or disallowance, if successful, could have a material impact on our cash-flow and financial performance.

4. Revenue

Revenue recognised during the three and nine months ended September 30, 2024 and 2023 relates to collaboration agreements with with Bristol Myers Squibb Company ("BMY"), Sanofi S.A. ("Sanofi"), Merck KGaA, Darmstadt, Germany ("Merck KGaA, Darmstadt, Germany"), Millennium Pharmaceuticals Inc. ("Millennium") (an indirect wholly owned subsidiary of Takeda Pharmaceutical Company Limited), as well as legacy contracts operated by the Group's Austrian subsidiary. The proportion of revenue by customer in each period is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
	%	**%**	**%**	**%**
BMY	2	86	18	78
Sanofi	72	14	55	21
Merck KGaA, Darmstadt, Germany	26	—	21	—
Others	—	—	6	1
	100	**100**	**100**	**100**

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Service fees	—	—	—	104
Licensing fees - recognised over time	4,930	8,882	14,639	17,545
Total Revenue	**4,930**	**8,882**	**14,639**	**17,649**

Revenue is recognised upon the satisfaction of performance obligations, which occurs when control of the goods or services transfers to the customer. For obligations discharged over time, the Group recognises revenue equal to recoverable costs incurred for new collaborations from their inception until such time as the collaboration is sufficiently progressed such that the Group can reliably estimate the level of profit that will be achieved from delivery of the related performance obligations. Where collaborations include significant variable consideration which is constrained at the inception of the arrangement this can lead to gross losses being recognised during the early stages of a contract.

All revenues during the three and nine months ended September 30, 2024 and 2023 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.

4. Revenue (continued)

Included within revenues during the three months ended September 30, 2023 are amounts totalling £6,859,000 relating to non-refundable upfront payments on projects under the Group's ongoing collaboration with BMS which have been recognised as revenue during the quarter as it has been mutually determined not to proceed with further development of these projects and prioritise others within the collaboration.

On September 11, and September 30, 2024 respectively, the Group received confirmation of the achievement of the second and third research milestones in the Group's collaboration with Sanofi, in relation to which it invoiced a total of £11,422,000 ($15,000,000), with the cash expected to be received during the fourth quarter of 2024. Until achievement, these milestones were treated as constrained variable consideration relating to the drug design work undertaken in relation to the associated projects, and as such they have been added to the transaction price for the related partially satisfied performance obligation from the current quarter, with revenue recognised as the performance obligation is satisfied.

Included within revenues during the nine months ended September 30, 2024 is an amount of £1.0 million relating to an up-front payment received from Millennium in October 2020 following completion of the related collaboration contract term on March 31, 2024, at which time all related performance obligations were deemed to be fully satisfied.

The Group has assessed its significant collaboration arrangements with commercial partners and determined that no provision for future operating losses is required as at September 30, 2024, after taking into account expected future cash inflows and remaining contract liability amounts for each collaboration relative to the remaining unavoidable costs of meeting the respective contracts' obligations in each instance.

5. Other Income

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
	£'000	**£'000**	**£'000**	**£'000**
Grant income	180	218	379	1,211
R&D expenditure credits	2,397	898	9,414	4,343
	2,577	**1,116**	**9,793**	**5,554**

Grant income during the three and nine months ended September 30, 2024 relates to grants with Open Philanthropy Project LLC and the Austrian Wirtshaftsservice. The former provides reimbursement for certain personnel, consumables and overhead costs incurred through research and development activities, whilst the latter provided funding in respect of capital investments made in the period from August 2020 to the end of February 2022. As of September 30, 2024 and December 31, 2023 all amounts relating to grants awarded to the Group had been received.

6. Operating Loss

Operating loss for the three and nine months ended September 30, 2024 and 2023 has been arrived at after charging/(crediting):

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Depreciation of property, plant and equipment	2,752	2,329	7,741	5,018
Depreciation of right-of-use assets	1,021	874	2,937	2,648
Amortisation of intangible assets	1,126	1,173	3,426	3,499
Research and development expenses	27,234	32,608	75,906	99,013
Foreign exchange losses/(gains)	2,221	(3,272)	1,294	(1,628)
Share-based payment charge	5,041	6,357	3,961	20,150
(Reversal of)/impairment of right-of-use assets	(567)	—	1,052	—
Impairment of plant and equipment	33	—	1,991	—
Professional fees associated with the Company's proposed business combination	16,298	—	16,298	—

7. Finance Income

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank interest income	3,363	4,436	11,067	12,213
	3,363	**4,436**	**11,067**	**12,213**

8. 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 nine months ended September 30, 2024 was 0.09% and 2.50% (2023: 7.05% and 11.96%). The effective tax rate is impacted by the level of eligible research and development activity undertaken by the Company, as well as the changes in scheme eligibility described in note 3.

9. Loss per share

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Basic and diluted loss for the period (£'000)	(52,133)	(31,214)	(109,378)	(104,828)
Basic and diluted weighted average number of shares	129,178,562	124,511,492	127,260,159	123,844,172
Basic and diluted loss per share (£)	**(0.40)**	**(0.25)**	**(0.86)**	**(0.85)**

Basic loss per share ("Loss per Share") is 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 Company issues performance options, share options, restricted share units ("RSUs") and performance share units ("PSUs") to employees, upon the vesting or exercise of which ordinary shares are issued. Inclusion of these awards would have an anti-dilutive effect on the loss per share due to the loss incurred during the period, therefore basic and diluted loss per share are the same.

10. Goodwill and other intangible assets

On July 17, 2024, a subsidiary of the Company, Exscientia AI, and GT Apeiron Therapeutics Inc. ("Apeiron") announced that they had entered into an Asset Purchase Agreement, IP Assignment Agreement, Subscription Agreement and Share Surrender Agreement, pursuant to which Exscientia AI acquired the full rights to the intellectual property in GTAEX617 and took full operational control of the CDK7 inhibitor programme (the "IP Rights") for the purpose of continuing Exscientia AI's own independent research, development and commercialisation efforts. Concurrent to the transaction, Exscientia AI and Apeiron terminated the Collaboration Agreement, dated July 1, 2021, by and between Exscientia AI and Apeiron.

As consideration for the IP Rights, Exscientia AI made an upfront payment to Apeiron in the amount of £7,691,000 and forgave Apeiron of all outstanding debt, totalling £4,951,000. The Company also issued Apeiron £7,579,000 of the Company's equity in the form of 1,807,078 restricted American Depositary Shares, each representing one ordinary share, nominal value £0.0005 per share, incurring fees of £69,000 in relation to the issuance. In addition, Exscientia AI surrendered 9,173,021 ordinary shares with a par value of $0.00001 each and 1,549,942 Series Pre-A preferred shares, with a par value of $0.00001 each and a total fair value at the disposal date of £2,145,000, that Exscientia AI held in Apeiron Therapeutics, Inc. with no consideration being due from Apeiron to Exscientia AI or the Company.

These amounts were capitalised as acquired intellectual property during the three months ended September 30, 2024, with a total transaction price at the acquisition date of £22,436,000. No amortisation charge has been recognised in relation to the IP during the period from its acquisition to September 30, 2024 as the asset has yet to be commercialised.

Pursuant to the Asset Purchase Agreement, Exscientia AI will pay Apeiron a single digit royalty, net of any applicable withholding taxes, if Exscientia AI or a third party commercialises GTAEX617. Exscientia AI will take on all development costs and shall also pay Apeiron a single digit percentage of any outlicensing income received by Exscientia AI or its affiliates if Exscientia AI enters into an outlicensing agreement with a third party.

10. Goodwill and other intangible assets (continued)

During the nine months ended September 30, 2024 the Group acquired assets at a cost of £164,000 relating to computer software. There were no asset disposals in the period. The amortisation charge for the period of £3,426,000 consisted of £57,000 relating to computer equipment, £11,000 relating to patents and £3,358,000 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.

11. Property, plant and equipment

During the nine months ended September 30, 2024, the Group acquired assets at a cost of £2,185,000, of which £126,000 were additions to leasehold improvements, £55,000 were additions to computer equipment and £1,896,000 were additions to plant and equipment, primarily laboratory equipment. The depreciation charge for the period was £7,741,000.

During the nine months ended September 30, 2024, £425,000 was transferred from assets under construction to leasehold improvements which constituted costs relating to the fit-out of premises leased by the Group. An additional £3,468,000 was transferred from assets under construction to plant and equipment for assets now installed, primarily at our premises in Milton Park.

Disposals of property, plant and equipment with a total cost and net book value of £1,108,000 and £164,000 respectively were made during the nine months ended September 30, 2024.

On May 21, 2024, the Company announced cost saving and efficiency measures targeting some areas of target identification, precision medicine, experimentation, engineering and infrastructure. Following these measures, the Company performed an impairment review to identify property, plant and equipment which, as at both the date of review and September 30, 2024, have a carrying value in excess of their recoverable amounts. As a result of this review the Company recognised an impairment charge of £788,000 in relation to plant and equipment and £1,203,000 in relation to leasehold improvements during the nine months ended September 30, 2024.

12. Investments in joint ventures and joint operations

During the nine months ended September 30, 2024, the Group made £1,549,000 in capital contributions to its joint venture with RallyBio, RE Ventures (nine months to September 30, 2023: £1,206,000). The Group's share of the loss incurred by the joint venture during the three and nine months ended September 30, 2024 totalled £488,000 and £1,412,000 respectively (September 30, 2023: £535,000 and £1,149,000).

There were no transactions with the Group's other joint venture with RallyBio, RE Ventures II, LLC, during the nine months ended September 30, 2024 (nine months to September 30, 2023: £nil).

The Group's interests in joint operations are disclosed in the consolidated financial statements for the year ended December 31, 2023. See note 10 for details in relation to the termination of the Group's collaboration with Apeiron on July 17, 2024.

13. Leases

All right-of-use assets relate to leased premises. As at January 1, 2024 the Group had right-of-use assets relating to ten pre-existing lease agreements pertaining to four properties in the United Kingdom, three in the United States of America and one in Austria.

On June 26, 2024 the Group reached agreement with the landlord of its headquarters in Oxford, United Kingdom in relation to updated lease rentals following completion of contractually required rent reviews as per the terms of the underlying lease agreements for that premises. Based on the revised lease rentals, the related ROU assets and lease liabilities were revised upwards by £2,540,000 from that date.

In December 2022, the Group entered into a lease arrangement in relation to premises in Miami, Florida, United States. The lease term commenced on February 26, 2024, being the date at which the landlord made the premises available to the Group, resulting in the recognition of a right of use asset of £2,125,000. The lease expires on June 1, 2034. In the fourth quarter of 2023, as a result of the Group's cost containment measures, the decision was taken not to occupy these premises, and instead to lease smaller premises nearby. At that point it was estimated that the present value of the unavoidable costs of meeting the Group's obligations under the contract exceed the expected benefits to be received from subletting the space by £807,000, and a provision for that amount recorded in the fourth quarter of 2023, with such provision recognised as an impairment of the right-of-use ("ROU") asset upon its capitalisation in February 2024.

The lease in question was sublet to a third party from September 9, 2024, with such sublease being deemed to constitute a finance lease. As such the ROU asset relating to the head-lease was disposed of, with the reversal of the previous impairment recognised and the recognition of a finance lease receivable of £1,793,000, being an amount equal to the net investment in the lease at that point. The sublease term expires on June 1, 2034.

The undiscounted finance lease payments receivable in relation to this sublease as at September 30, 2024 are as follows:

	30 September 2024 £'000
Within one year	79
One to five years	1,309
More than 5 years	906
Unearned finance income	(501)
Net finance lease receivable	**1,793**

On August 12, 2024 the Group disposed of one of its leased properties in Oxford, United Kingdom. A payment of £700,000 was made upon the return of the lease, representing settlement of all outstanding obligations in relation to the premises. The disposal resulted in the de-recognition of a ROU asset with a cost of £1,513,000 and net book value of £322,000 at the date of disposal.

The Group entered into two seven-year lease arrangements in relation to laboratory and office space in Vienna, Austria on September 3, 2021. Annually from January, 1 each year lease payments are indexed based on the consumer price index rate as published by STATISTIK AUSTRIA at September of the preceding year, being 10.6% in September 2022 and 6.0% in September 2023 respectively. The impact of this change in index rate is reflected when the adjustment to the lease payments takes effect in accordance with IFRS 16 paragraph 42(b), with the change in lease rentals from January 2024 resulting in reductions of £442,000 and £532,000 to the lease liabilities and related ROU assets for the laboratory and office space respectively at that date.

13. Leases (continued)

As part of the impairment review described in note 11 above, the Company has recognised an impairment charge of £911,000 in relation to these premises during the nine months ended September 30, 2024.

The undiscounted lease liability contractual maturities as at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024 £'000	31 December 2023 £'000
Within one year	4,167	3,399
One to five years	14,609	14,707
More than 5 years	2,857	4,003
	21,633	**22,109**

14. Other receivables

Current other receivables and contract assets

	September 30, 2024 £'000	December 31, 2023 £'000
VAT recoverable	2,390	3,356
Prepayments	5,462	5,961
Accrued bank interest	391	412
Other receivables	1,287	5,622
	9,530	**15,351**

Non-current other receivables

	September 30, 2024 £'000	December 31, 2023 £'000
Other receivables	639	663
	639	**663**

15. 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

Apeiron shares

During the nine months ended September 30, 2024 the Group's only financial instrument measured at fair value consisted of 9,173,021 ordinary shares with a par value of $0.00001 each and 1,549,942 Series Pre-A preferred shares, with a par value of $0.00001 each, that the Group held in Apeiron, which were acquired in March 2021 and in relation to which the Group took the election provided within IFRS 9 to recognise fair value gains and losses within Other Comprehensive Income. These shares were disposed of on July 17, 2024 as part of the transaction described in note 10, with a corresponding release of the associated fair value reserve to retained earnings/(accumulated losses).

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

	Unlisted equity securities
	£'000
Opening balance as at January 1, 2024	2,145
Disposal during the period	(2,145)
Closing balance as at September 30, 2024	—

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at September 30, 2024. There have been no transfers between levels 2 and 3 and changes in valuation techniques during the period.

Other financial instruments

On January 19, 2024 the Group invested £150,000,000 into a six-month short term deposit with an F1-rated financial institution. This short term deposit accrued interest at a rate of 5.1% and has been classified as a financial asset at amortised cost. The deposit was redeemed inclusive of accrued interest on July 19, 2024.

On July 19, 2024 the Group invested £125,000,000 into a six-month deposit with an F1-rated financial institution. This short term deposit accrued interest at a rate of 5.1% and has been classified as a financial asset at amortised cost. On the same date the Group invested a further £28,837,000 into a three-month deposit with the same financial institution, also at a rate of 5.1%. This deposit has been classified as a cash equivalent. The latter deposit was redeemed inclusive of accrued interest on October 18, 2024.

The Group measures expected credit losses over cash and cash equivalents as a function of individual counterparty credit ratings and associated 12 month default rates. Expected credit losses over cash and cash equivalents and third-party financial derivatives are deemed to be immaterial and no such loss has been experienced during the three and nine months ended September 30, 2024.

The Group also has a number of other financial instruments which are not measured at fair value in the balance sheet consisting of trade receivables, trade and other payables and other loans. 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.

16. Share capital

	September 30, 2024	December 31, 2023
	£	£
Issued and fully paid share capital		
130,769,846 (2023: 125,702,396) Ordinary shares of £0.0005 each	65,385	62,851
	65,385	**62,851**

Shares authorised and issued (number)

	December 31, 2023	Shares issued in relation to the acquisition of IP	Exercise of share-based payment awards	September 30, 2024
Ordinary shares	125,702,396	1,807,078	3,260,372	130,769,846
	125,702,396	**1,807,078**	**3,260,372**	**130,769,846**

A total of 1,807,078 shares were issued as part of the transaction described in note 10.

A total of 3,260,372 shares were issued upon the exercise of share-based payment awards during the nine months ended September 30, 2024; see note 21 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.

17. Contract liabilities and other advances

	Within one year		More than one year	
	September, 30 2024	December 31, 2023	September, 30 2024	December 31, 2023
	£'000	£'000	£'000	£'000
Contract liabilities				
Revenue generating collaborations	18,542	25,036	68,742	65,466
Total contract liabilities	**18,542**	**25,036**	**68,742**	**65,466**
Other advances				
Grants	1,590	1,970	—	—
Total other advances	**1,590**	**1,970**	**—**	**—**
Total contract liabilities and other advances	**20,132**	**27,006**	**68,742**	**65,466**

17. Contract liabilities and other advances (continued)

A reconciliation of the movement in contract liabilities and other advances for the nine months ended September 30, 2024 is as follows:

	January 01, 2024	Additions	Recognised in the income statement	Foreign exchange	September 30, 2024
	£'000	£'000	£'000	£'000	£'000
Grants	1,971	—	(379)	(2)	1,590
Revenue generating collaborations	90,501	11,422	(14,639)	—	87,284
Total contract liabilities and other advances	**92,472**	**11,422**	**(15,018)**	**(2)**	**88,874**

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, 2023 the Group expected to recognise its contract liabilities relating to revenue generating collaborations over the period to December 2027.

The ageing presented above reflects the Group's best estimate of when contract liability and other advance amounts will be utilised based upon when the underlying costs to be incurred in the delivery of the related projects are expected to be incurred.

Additions to revenue generating collaborations relate to amounts totalling £11,422,000 ($15,000,000) invoiced to Sanofi during the three months ended September 30, 2024 in relation to the achievement of two research milestones as detailed in note 4.

A reconciliation of the movement in contract liabilities and other advances for the year ended December 31, 2023 is as follows:

	January 01, 2023	Additions	Recognised in the income statement	Transferred to other creditors	Foreign exchange	December 31, 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	959	2,141	(1,127)	—	(2)	1,971
Revenue generating collaborations	87,884	22,655	(20,038)	—	—	90,501
Joint operations	9,139	—	(2,033)	(7,106)	—	—
Total contract liabilities and other advances	**97,982**	**24,796**	**(23,198)**	**(7,106)**	**(2)**	**92,472**

18. Provisions

At September 30, 2024, a provision of £1,372,000 existed in respect of the Group's obligation to restore alterations made on leased space within three of the Group's leasehold properties. The required work for the spaces is expected to be completed between 2026 and 2031.

As at December 31, 2023, the Group held an onerous contract provision of £807,000 relating to one of the Group's leased properties in Miami, Florida. The amount had been recorded as a provision because the lease term on the property had yet to commence as of December 31, 2023, and as such no right of use asset had been recorded as at that date. The lease term commenced on February 26, 2024, and as such the onerous contract provision was de-recognised at that date, and an impairment of the right of use asset recorded in its place (see note 13).

19. Other payables

Current other payables

	September 30, 2024	December 31, 2023
	£'000	£'000
Accruals	28,233	16,238
Other payables	1,946	2,087
Other taxation and social security	4,869	5,897
Corporation tax	115	111
	35,163	**24,333**

20. Related party transactions

Following the Group's IPO on October 5, 2021 the Group has no related parties other than joint ventures in accordance with the IAS 24 definition who are not key management personnel of the Group (whose remuneration is disclosed annually), and as such there are no disclosable related party transactions during either the nine months ended September 30, 2024 or 2023.

See note 12 for details of the Group's transactions with joint ventures during the nine months ended September 30, 2024 and 2023.

21. 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")*

21. Share based payments (continued)

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 amounted to £3,961,000 during the nine months ended September 30, 2024 (nine months ended September 30, 2023: £20,150,000). Total share-based remuneration expenses for the three months ended September 30, 2024 amounted to £5,041,000 (three months ended September 30, 2023: £6,357,000).

Included within share-based payment expenses for the nine months ended September 30, 2024 are amounts totalling £5,935,000 that were released to profit and loss as a result of the forfeiture of unvested options held by our previous CEO on their exit from the Group in February 2024. Transfer of a further £3,289,000 from the share based payment reserve to accumulated losses was made in relation to awards that had vested prior to the forfeiture date.

The following table represents the share-based payment expense by award type for the three and nine months ended September 30, 2024 and 2023:

	Three months ended September 30,		Nine months ended September 30,	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Share options	3,511	3,853	5,057	12,439
Performance share options	311	838	(3,409)	2,149
PSUs	197	192	431	521
RSUs	963	1,067	1,598	3,522
Clawback shares	59	407	284	1,519
	5,041	**6,357**	**3,961**	**20,150**

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 nine months ending September 30, 2024 is as follows:

	Number of share options	**Weighted average exercise price**
Options held as at January 1, 2024	9,457,972	£ 0.08
Granted	4,645,877	£ 0.00
Exercised	(3,001,603)	£ 0.02
Forfeited	(2,259,675)	£ 0.05
Options held as at September 30, 2024	**8,842,571**	**£ 0.11**
Exercisable as at September 30, 2024	**2,821,671**	**£ 0.20**

21. Share based payments (continued)

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 nine months ended September 30, 2024:

Exercise price	£ 0.0005
Expected life	5.9 years
Expected volatility	88.6 %
Risk-free rate	3.67 %
Expected dividend rate	—
Fair value	£ 3.77

The fair value of the underlying ordinary shares is equal to the 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 U.S. government bonds over a period commensurate with the expect term of the options. Expected volatility has been set with reference to the Group's own share price volatility over the period from the Company's IPO to the award grant date and peer group analysis. 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.

During the three months ended September 30, 2024, a total of 2,119,000 share options were issued to employees, including executive officers of the company, for which the total vesting period is two years, with fifty-percent of the awards vesting on the anniversary of the grant date and the remainder one year later. Should the Business Combination take place within this two-year vesting period, seventy-five percent of these awards will vest in full upon completion of the transaction, with the remaining awards vesting one year later.

Performance Share Options
Performance share units 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 nine months ending September 30, 2024 is as follows:

	Number of share options	Weighted average exercise price
Options held as at January 1, 2024	1,949,690	£ 0.00
Granted	726,233	£ 0.00
Exercised	—	£ 0.00
Forfeited	(1,525,129)	£ 0.00
Options held as at September 30, 2024	**1,150,794**	**£ —**
Exercisable as at September 30, 2024	**—**	**£ —**

21. 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 nine months ended September 30, 2024:

Exercise price	£ 0.0005
Expected life	3.0 years
Expected volatility	87.6 %
Risk-free rate	4.78 %
Expected dividend rate	—
Fair value	£ 3.28

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 U.S. 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 units for the nine months ending September 30, 2024 is as follows:

	Number of PSUs
PSUs held as at January 1, 2024	488,833
Granted	427,539
PSUs held as at September 30, 2024	**916,372**

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

21. Share based payments (continued)

Restricted Share Units

The Group operates a RSU scheme, whereby certain employees and directors receive RSUs 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 restricted share units for the nine months ending September 30, 2024 is as follows:

	Number of RSUs
RSUs held as at January 1, 2024	1,019,186
Granted	1,048,914
Released	(382,283)
Forfeited	(230,032)
RSUs held as at September 30, 2024	**1,455,785**

The weighted average grant date fair value per unit of the RSUs granted in the three and nine months to September 30, 2024 was £3.79. The weighted average remaining contractual life of the outstanding awards as at September 30, 2024 was 8.6 years.

During the three months ended September 30, 2024, a total of 344,500 RSUs were issued to employees, including executive officers of the Company, for which the total vesting period is two years, with fifty-percent of the awards vesting on the anniversary of the grant date and the remainder one year later. Should the Business Combination take place within this two-year vesting period, seventy-five percent of these awards will vest in full upon completion of the transaction, with the remaining awards vesting one year later.

During the nine months ended September 30, 2024, 152,176 awards were released via a net settlement arrangement, with 76,773 shares issued and £307,000 paid by the Company in order to settle related employee tax obligations.

During the nine months ended September 30, 2023, 53,566 awards were released via a net settlement arrangement, with 27,098 shares issued and £121,000 paid by the Company in order to settle related employee tax obligations. All of these payments have been recognised within retained earnings.

22. Commitments and contingent liabilities

The Group has capital expenditure contracted for but not recognised as liabilities as at September 30, 2024. The expenditure is as follows:

	September 30, 2024 £'000
Plant and equipment	24
Leasehold improvements	2
	26

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, 2023. 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 £11,903,000 relating to the Pandemic Preparedness Program as at September 30, 2024 (December 31, 2023: £9,697,000), with a total outstanding commitment of £39,583,000 (December 31, 2023: £41,789,000).

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 Company to buy-back any shareholdings in the Company 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.

FFG Guarantee

Prior to its acquisition by the Group, the Company's subsidiary, Exscientia GmbH (which was formally known as Allcyte GmbH), received grant funding totalling €2,485,000 and a €353,000 loan from the Austrian Research Promotion Agency ("FFG") between July 2018 and December 2021, with the loan due for repayment on September 30, 2026. The provision of this funding was contingent upon certain conditions, inclusive of the continuation of research and development activities at Allcyte's Vienna site, with the period over which the associated conditions are applicable extending to late 2025 for a portion of the funding.

Prior to the second quarter of 2024 the likelihood of any repayment in relation to these amounts had been considered to be remote. In the current period the Group has re-assessed the probability of some repayment being required as a result of changes to business activities following the Group's recent re-organisation, and deemed that while it is still unlikely that any repayment will be required, the likelihood is now deemed to be more than remote and as such is disclosing this amount as a contingent liability as at September 30, 2024.

22. Commitments and contingent liabilities (continued)

Business Combination transaction costs

The Company has committed to pay professional advisory fees relating to the proposed Business Combination totalling £21.3 million, of which £16.3 million has been recognised within general and administrative expenses during the three months ended September 30, 2024 and £13.0 million is accrued as at September 30, 2024. Included within the period-end accrual is £10.9 million relating to an estimated cash payment due on completion of the proposed Business Combination which will be payable based upon the value of the Company's market capitalisation as at the completion date should the transaction be consummated.

Following completion of the Business Combination the Company's shares will be de-listed from NASDAQ and its ADS program terminated, the latter of which may incur termination costs that have yet to be agreed between the Company and its Depository.

23. Ultimate Parent and Controlling Party

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