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News Release

Bayer and Exscientia collaborate to leverage the potential of artificial intelligence in cardiovascular and oncology drug discovery

Berlin, January 9, 2020 – Bayer and Exscientia Ltd., a UK-based Artificial Intelligence (AI)-driven drug discovery company, have entered into a three-year, multi-target collaboration. The partners will work on early research projects combining Exscientia's proprietary AI drug discovery platform and drug design know-how with Bayer's data and drug discovery capabilities. They aim to identify and optimize novel lead structures for potential drug candidates to treat cardiovascular and oncological diseases. Exscientia may be eligible to receive up to EUR 240 million, including upfront and research payments, near term and clinical milestones. As part of the agreement, Exscientia may also receive sales royalties. Bayer owns the rights to novel lead structures generated as part of the collaboration.

AI has the potential to accelerate drug discovery and improve the drug development productivity in terms of quality, cost and cycle time. Up to now, it takes 12 to 15 years from early research to marketing approval of a new drug. The collaboration focuses on early stage research by using an AI-based algorithm to predict potential drug molecules. Exscientia's AI-driven drug discovery technology provides novel chemical matter for difficult-to-address targets and could identify novel drug candidates more efficiently through less optimization cycles.

"We are driving forward digital transformation in R&D as we believe that digital technologies such as AI can simplify and speed up the discovery and development of new drugs for patients," said Dr. Joerg Moeller, Member of the Executive Committee of Bayer AG's Pharmaceuticals Division and Head of Research and Development. "The collaboration with Exscientia is expected to help us to achieve project milestones earlier and at the same time accelerate timelines by enabling more precise identification of suitable drug targets and lead structures."

“We’re delighted to collaborate with Bayer, a globally recognized pharmaceutical company who has already committed significant investment to treating challenging diseases,” said Professor Andrew Hopkins, CEO of Exscientia. “Since our pioneering Nature papers demonstrated the automated design of small-molecules, we have enhanced our platform and exemplified it commercially, by accelerating the discovery of future drug molecules with partners. We’re excited to now work with Bayer researchers to drive this transformational change in key therapeutic areas.”

The Pharmaceuticals Business Development & Licensing team of Bayer facilitated this collaboration.

About artificial intelligence at Bayer Pharmaceuticals

Artificial intelligence provides significant opportunities for Bayer’s Pharmaceuticals business. Bayer is committed to realizing the potential value associated with big data, advanced analytics, and artificial intelligence, as it continues to explore and leverage them along the value chain. Bayer believes that there are three ways that artificial intelligence could be applied in our business: to strengthen and accelerate innovation, to advance operations and to identify new business opportunities. Such technologies could therefore support Bayer in getting the right treatment to the right patient at the right time, more efficiently and faster than we do today.

About Exscientia

Exscientia is at the forefront of Artificial Intelligence (AI)-driven drug discovery and design. By fusing the power of AI with the discovery experience of seasoned drug hunters, Exscientia is the first company to automate drug design, surpassing conventional approaches. For more information visit www.exscientia.ai or follow on Twitter [@exscientia](https://twitter.com/exscientia)

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to benefit people by supporting efforts to overcome the major challenges presented by a growing and aging global population. At the same time, the Group aims to increase its earning power and create value through innovation and growth. Bayer is committed to the principles of sustainable development, and the Bayer brand stands for trust, reliability and quality throughout the

world. In fiscal 2018, the Group employed around 117,000 people and had sales of 39.6 billion euros. Capital expenditures amounted to 2.6 billion euros, R&D expenses to 5.2 billion euros. For more information, go to www.bayer.com.

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Forward-Looking Statements

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