ANNUAL REPORT 2022

Benevolent AI
Complex biology, unlocked

We unite AI and cutting-edge science to discover and develop new medicines for complex diseases.

Through the combined capabilities of our AI platform, scientific expertise and wet-lab facilities, BenevolentAI is well-positioned to deliver novel drug candidates with a higher probability of clinical success than those developed using traditional methods.

Consolidated Management Report
The Consolidated Management Report for the Group includes the Strategic report and Governance section.

To view our new site visit:
www.benevolent.com

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Financial highlights

Revenue
£10.6m
(2021: £4.6 million) driven by extended AstraZeneca collaboration

Drug Discovery R&D expenditure (excl. SBP)
£43.2m
(2021: £27.1 million) reflecting continued investment in pipeline and Phase I/II activities on BEN-2293

Cash, cash equivalents and short term deposits
£130.2m
(2021: £40.6 million)

Completed Business Combination and listing on Euronext Amsterdam in April 2022 raising £186.8 million (€225 million) gross proceeds

Normalised operating loss
£94.6m
(2021: £107.7 million) in line with internal expectations

Reported operating loss
£197.0m
(2021: £121.3 million)

Operational highlights (including post-period)

Delivered performance enhancements across the Benevolent Platform™
- Introduced the next generation Knowledge Graph, powered by higher-quality natural language processing (NLP) to enable more advanced predictions
- Expanded Target ID tools to discover targets best prosecuted via alternative modalities
- Substantially improved our ML models; introduced a Large Language Model trained on scientific literature to predict novel therapeutic drug targets
- Launched a product for target progressibility assessments, enhancing R&D decisions across factors like druggability, selectivity and competitor and patent landscapes

Achieved sustained progress in our platform-generated clinical and pre-clinical pipeline

BEN-2293
- A topical best-in-class PanTrk inhibitor in development to relieve inflammation and rapidly resolve the itch in patients with atopic dermatitis (AD)
- Completed a Phase IIa study and expect top-line data in Q1 2023

BEN-8744
- An oral peripherally-restricted small molecule PDE10 inhibitor under development as a first-in-class treatment for ulcerative colitis (UC) and with potential for other indications within inflammatory bowel disease
- Submitted a Clinical Trial Application (CTA) to the UK Medicines and Healthcare Products Regulatory Agency (MHRA) in December 2022, and expect to initiate a Phase I clinical trial in H1 2023

BEN-28010
- An orally administered asset under development as a best-in-class treatment for glioblastoma multiforme (GBM)
- Declared as a clinical candidate in July 2022, with preparation for IND-enabling studies ongoing
- Subject to positive data, the asset will be ready for Phase I studies in 2024

Grew our pre-clinical pipeline
- Transitioned three assets into lead optimisation
- Generated four new drug programmes using the Benevolent Platform™

Delivered strong performance in commercial Target ID collaboration with AstraZeneca
- Delivered three additional novel targets discovered using the Benevolent Platform™ to AstraZeneca's drug discovery portfolio
- A total of five novel targets, two for chronic kidney disease (CKD) and three for idiopathic pulmonary fibrosis (IPF), have now validated and selected for portfolio-entry by AstraZeneca
- Each novel target selected by AstraZeneca has the potential to generate significant milestones and royalties for BenevolentAI
- In January 2022, the collaboration was extended for a further three years to include heart failure (HF) and systemic lupus erythematosus (SLE)

Achieved full FDA approval for baricitinib in May 2022. BenevolentAI scientists first identified baricitinib as a COVID-19 treatment using the Benevolent Platform™ in January 2020

Initiated a non-commercial collaboration with Drugs for Neglected Disease initiative (DNDi) and with Stanford University-based Helix Group

Made new appointments to strengthen the experience on BenevolentAI's Board
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BenevolentAI is the post closing name of Odyssey Acquisition S.A., being the Parent entity of the BenevolentAI Group.

Complex biology, unlocked

What we do

We have built our AI-enabled drug discovery engine, the Benevolent Platform™, to drive a revolution in drug discovery – from target identification through to clinical development.

Scientists use the Benevolent Platform™ to unravel complex disease mechanisms, make high-confidence decisions and accelerate their research. We believe this approach will improve the probability of clinical success, and help us deliver life-changing treatments to patients – because it matters.

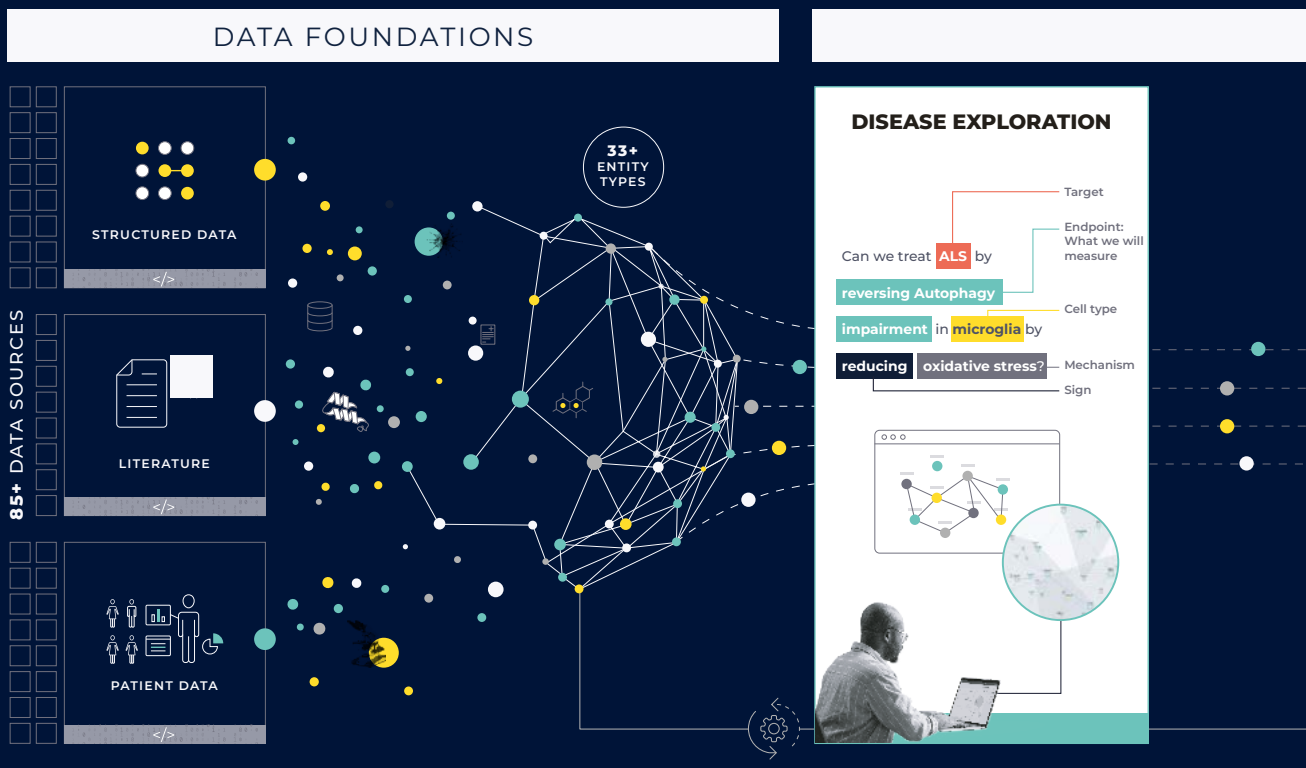
The Benevolent Platform™

Comprehensive data foundations

We integrate data from across domains and data types, including 'omics, molecules, experiments, literature, pathology and biological systems, to provide a holistic view of biology.

Hypothesis-driven

Scientists use our tools to navigate disease networks to gain a comprehensive understanding of biological effects, refine hypotheses and predict high-confidence targets.



Scientific validation

15 named Platform-generated drug programmes

3 assets in pre-IND

1 asset in Phase II

10+ exploratory stage programmes

Commercial validation

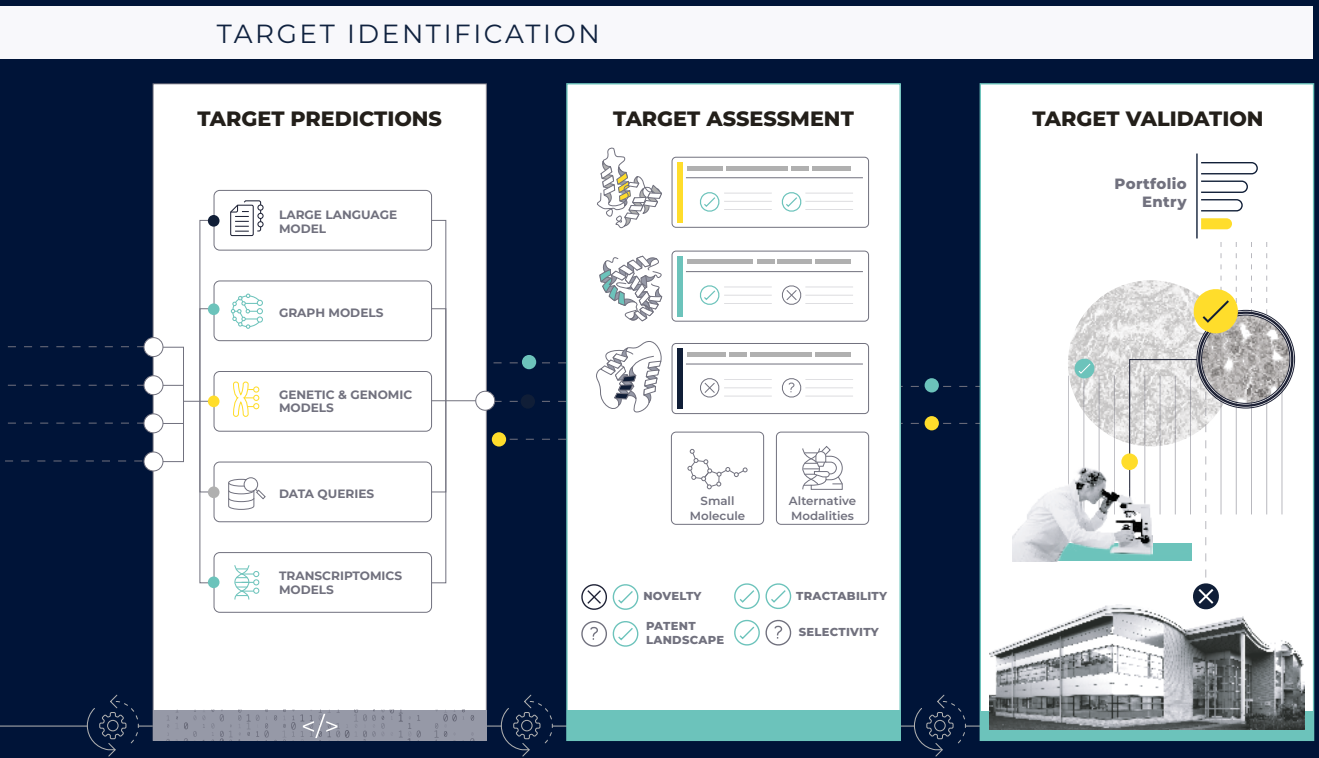
5 novel targets selected for AstraZeneca's portfolio

Regulatory validation

FDA approval of COVID-19 treatment identified by BenevolentAI

Biology first

Our technology empowers scientists to access an ever-expanding data landscape and map the underlying biology of complex multifactorial diseases in unprecedented detail.



Advanced in-house laboratory capabilities move programmes faster

- **Cutting-edge technologies** including *in vitro* / *in vivo* biology, chemistry, CMC and DMPK with in-house investment in CRISPR, RNA seq and human iPSC.
- **Work progresses rapidly** from *in silico* to *in vitro* experimental tests.
- **The more we do, the more we learn;** experimental insights enrich our Knowledge Graph and enhance future target predictions.

Proven to enhance drug discovery

Disease agnostic
We can work on any therapeutic area due to the breadth and diversity of our data foundations.

Modality agnostic
The Benevolent Platform™ can be applied to antibody and biologic targets, in addition to small molecule targets.

Built for scale
Our scalable and versatile platform can support multiple in-house drug programmes and commercial collaborations.

Accelerates discovery
By combining our AI platform, scientific expertise and wet-lab facilities, we accelerate discovery and reduce discovery and development timelines.

Identifies novel targets
Our predictive tools can surface targets that have never been considered for a disease before.

Potential to increase probability of success
By building higher confidence hypotheses in the earliest stages of drug discovery, we aim to reduce costly failures down the line.

Integrated team
We "build tech in the service of science"
- 48% Drug Discovery
- 37% Technology
- 15% Business Operations

Substantial pipeline entirely generated by the Benevolent Platform™

Highlights

- Focus on **complex multifactorial diseases.**
- **Broad therapy area coverage** enabled by disease-agnostic platform, with future investment to focus on three therapeutic indications.
- **Balance of risk** between "**best-in-class**" and "**first-in-class**" drug candidates.
- Potential for **rapid scaling** and expansion into **new modalities.**

Collaborations

AstraZeneca

Our successful multi-year target ID collaboration with AstraZeneca has delivered multiple novel targets for complex diseases with high unmet needs.

Read more about our collaborations on page 14

2022 was a year of progress and growth

> This past year we proved that we have the talent, technology and scientific capabilities to succeed.

Dr. François Nader
Chair

Dear shareholders

2022 will be remembered as a year of progress and growth for BenevolentAI. It was the year that the Company began its life as a public company and advanced plans to scale our innovative R&D platform at pace.

At BenevolentAI, our mission is to unite AI and cutting-edge science to discover and develop new medicines for complex diseases. With the power of our leading AI-drug discovery platform and the deep expertise of our team, we are on our way to achieving this opportunity.

Looking back over the past year, we saw our strategy in action. We have delivered milestones across our in-house pipeline, strengthened our partnerships and taken important steps to cement our position as a leading AI drug discovery company.

In April, we completed the Business Combination with Odyssey Acquisition S.A and listed on Euronext Amsterdam, which raised €225 million (£186.8 million) in gross proceeds. This was a landmark moment for BenevolentAI that has taken our business to the next level.

We are on a firm financial footing and well-positioned to progress our pipeline of drug programmes, drive further innovation and deliver value for all of our shareholders. This is a testament to the hard work and dedication of the BenevolentAI's employees led by our CEO Joanna Shields and the support of our long-term and new shareholders.

Investing in our people and culture

BenevolentAI brings together a unique cross-section of science and technology in a shared mission. Our teams work to create a culture of innovation and creativity, and ensure it continues to ignite our imagination and inspire our approach.

Our people are at the heart of our success and we are committed to supporting, attracting and retaining top talent. In 2022, BenevolentAI expanded the expertise of its world-class team, with key senior hires in our AI and Product functions, in addition to recruiting top scientists to collectively strengthen our drug development capabilities. Looking ahead, our recruitment will focus on enhancing our clinical capabilities, which is essential if we are to develop and deliver more effective medicines for patients.

We also made a recent appointment of a new Chief People Officer, Anna Fullerton-Batten, to further nurture and evolve our unique culture so we can continue matching the best technology with the best talent in the sector.

Board changes

We made key Non-Executive appointments to our Board. In April, we welcomed Dr. Oliver Brandicourt, former CEO of Sanofi and Jean Raby, Partner at Astorg, as a part of the Business Combination with Odyssey. Global ethics and governance expert, Dr. Susan Liautaud, joined the Board in June. The breadth and depth of the expertise of these new Board members will be fundamental to the pursuit of our value-creation strategy.

Kenneth Mulvany and Michael Brennan, two of the Company's co-founders, stepped off from their positions as Non-Executive Directors with effect from 30 June and 30 September respectively, and along with the rest of the Board I would like to thank them for their significant contributions to the business.

Strengthened our corporate governance

Our Board remains committed to the principles of good corporate governance. To prepare for completing the Business Combination, the Company conducted a detailed analysis of a series of possible options for adhering to a formal and robust governance framework that was most appropriate now that BenevolentAI is a Luxembourg company traded on Euronext Amsterdam.

From the point of completing the Business Combination, and on an ongoing basis, the corporate governance rules of the Company have been based on applicable Luxembourg laws, the Company's Articles of Association, and its internal regulations - in particular the Board Rules. The Company has now also formally adopted the UK QCA Code, and more detail can be found under the "Corporate Governance Framework" heading on page 51 of the Annual Report.

To this effect, post year-end, the Board appointed Jean Raby to an additional new role as Senior independent NED and Dr John Orloff to an additional role as Workforce NED. These two new appointments further strengthen the Board's focus as it continues to build out its governance frameworks over 2023.

Building a healthier, more sustainable future

Our purpose has always centred on having a positive impact on society, by bringing life-changing medicines to patients.

In pursuit of this purpose, it is important that we are setting an example as a Company, and we recognise the need to develop and implement a broader set of sustainability and social impact initiatives. This year we took the first step in our commitment to weaving environmental, social and governance (ESG) stewardship into the fabric of our mission and began the process of formally mapping and measuring the impact of our business and platform on our people, patients, partners and planet. Dr Susan Liautaud will oversee the delivery of our ESG strategy within our sustainability framework.

Strategic priorities

The global circumstances of the past year - the economic impact of the war in Ukraine and the aftershocks of the pandemic - have challenged our sector. However, with the hard work of our team and our strategy in action, I believe we can look to the future with confidence.

The next chapter for BenevolentAI is a compelling one, as we look to strengthen our position within the AI-driven drug discovery sector. BenevolentAI's aim is to create technology to drive a revolution in drug discovery and develop new medicines for patients with a higher probability of clinical success. To achieve this, we are committed to advancing the Benevolent Platform™, and will continue to prove its value by advancing our clinical and preclinical pipeline, and out-licensing key assets in non-core indications.

Our ecosystem of partners has been fundamental in expanding the reach of our technology, and moving forward we will continue targeting new collaborations in addition to the collaboration we currently have with AstraZeneca.

Chair's statement continued

Strategic priorities continued

We will continue to maintain a sustainable financial position, reviewing and refining our spend profile and focusing on our strategic priorities. All of this work is underpinned by our people, and we will continue evolving our culture to ensure our people can perform at their best and are fully connected to our purpose.

The Board expects 2023 to be a year of continued evolution for BenevolentAI. Notable value inflection points include expected topline BEN-2293 post-Phase IIa data in atopic dermatitis, commencing the Phase I study for BEN-8744 in ulcerative colitis, and executing our strategic objective of delivering one to two CTA or IND-stage drug candidates. We also continue to seek mutually-beneficial collaborations.

It is a privilege to Chair a Company that has such an unwavering commitment to growing, partnering and innovating. This past year we proved that we have the talent, technology and scientific capabilities to succeed and I thank you, shareholders, for your continued investment and belief in our mission.

Dr. François Nader
Chair
20 March 2023

Our progress in 2022 solidified our leadership in the sector

> Providing a solid foundation to fulfil our mission of delivering life-changing medicines to patients.

Joanna Shields
Chief Executive Officer

Dear shareholders

I joined BenevolentAI as Chief Executive Officer nearly five years ago with a mission to align emerging technologies with science in a bold new way. Today, our ground-breaking AI platform is helping to drive a transformation in drug discovery by empowering scientists to uncover novel targets across many therapeutic areas for different modalities.

Our progress in 2022 has solidified our leadership in the sector as we continued to advance our in-house pipeline and enhance our AI drug discovery platform, the Benevolent Platform™. Commercially, we delivered solid performance in our highly productive collaboration with AstraZeneca, an important revenue driver for the Company, which provides strong scientific and commercial validation of our approach. During the period, AstraZeneca selected three additional novel targets for its portfolio, bringing the total to five novel targets selected to date, and extended the collaboration agreement for a further three years and in two new disease areas. This expansion of our collaboration led to a significant cash investment by AstraZeneca into the business as part of the Business Combination.

Discovery and development portfolio

At BenevolentAI, our AI platform enables scientists to unravel the biological mechanisms underlying complex multifactorial diseases. Using our platform, we have generated a portfolio of 15 named drug programmes and more than ten exploratory programmes, representing a healthy balance of potentially first-in-class and best-in-class assets. This includes BEN-2293, which we are currently progressing through a Phase Ib/IIa clinical study as a treatment for mild and moderate atopic dermatitis, with results expected in the first quarter of 2023. We filed a clinical trial application (CTA) in 2022 for our next most advanced programme, BEN-8744, for ulcerative colitis, with the objective to complete the Phase I clinical study by H1 2024 before initiating a Phase II study. Whilst the Benevolent Platform™ is disease agnostic, with the unique ability to rapidly identify novel targets in any disease area, going forward, we will focus our internal development pipeline on three core strategic areas: immunology, neurology and oncology, as announced in September 2022. We look to co-develop or out-license the programmes that are outside these therapy areas.

Product and technology

Throughout the year, we delivered performance enhancements to our world-leading AI drug discovery platform. We enhanced our data foundations by launching our next-generation Knowledge Graph, which is powered by advanced natural language processing (NLP) to enable more precise target predictions. We also substantially improved our suite of target identification tools, allowing scientists to discover targets best prosecuted

via alternative modalities, and introduced sophisticated large language models (LLM) to predict novel therapeutic drug targets from scientific literature. Finally, we improved R&D decisions by launching a powerful new tool that enables scientists to make target progressibility assessments based on factors like druggability, selectivity and competitor and patent landscapes.

These improvements to our transformative, scalable technology infrastructure have played a pivotal role in delivering on key milestones in 2022 through our in-house pipeline and our successful collaboration with AstraZeneca.

Nurturing continuous innovation

Innovation is at the centre of everything we do, and 2022 reinforced our commitment to creating the conditions for innovation to flourish at BenevolentAI. Building on the legacy of our monthly 'Challenge Days' – set up during the pandemic – we brought our entire team together for Innovation Week 2022 hosted at our London headquarters for an intensive five days of cross-functional collaboration, which resulted in significant product enhancements, new development projects and enriched team cohesion.

Our collaborations with academic innovators further multiply our opportunities for impact. In the first half of 2022, we initiated phase two of our AI research partnership with the Stanford University-based Helix Group, which focuses on discovering more effective methods to extract knowledge from biological and clinical information. Our innovation pipeline feeds into our intellectual property portfolio, including 91 tech-related patent applications and 122 drug discovery patent applications, representing an important strategic asset for BenevolentAI.

Impact

BenevolentAI is a purposeful company, and we believe it is important to amplify the impact of our platform and put our technology to good use for wider societal benefit. While our core strategy is to discover novel targets and develop better treatments through our in-house pipeline and partnerships, our non-commercial deployments complement this core mission in the interest of the global good. One of the most visible applications of our approach was in support of the global campaign against COVID-19. This year we received further validation of the results of AI-enabled research, Baricitinib, the drug identified by BenevolentAI as a treatment for COVID-19 in January 2020, was fully approved by the US Food and Drug Administration (FDA). Baricitinib has been a mainstay of treatment in hospitals globally since being approved for emergency use by the FDA in November 2020, and its success in saving the lives of critically ill COVID-19 patients is a testament to the power of our platform and its potential to enhance and accelerate life-saving research.

Further underscoring our commitment to using our platform for broader societal benefit, we signed a new not-for-profit partnership with the Drugs for Neglected Diseases initiative (DNDi) in 2022. The partnership aims to identify targets and approved drugs that could be used to treat dengue fever, a climate-sensitive neglected disease representing one of the top ten threats to global public health worldwide.

Outlook

Completing our Business Combination and successfully listing on Euronext Amsterdam in April 2022 was a testament to the strength of our business and growth story. As a result, we closed 2022 in a strong financial position, with a cash runway to Q4 2024 and sufficient capital to support our pipeline and strategy to drive long-term value creation.

We have several value inflection points both in the near and medium term. We expect top-line results of the Phase IIa clinical study for BEN-2293 in Q1 2023, and subject to results we will focus on out-licensing of BEN-2293, for atopic dermatitis post-Phase IIa data and initiate a Phase I study for BEN-8744 for ulcerative colitis in H1 2023. We also plan on delivering one to two CTA or IND-stage drug candidates. We expect to commence IND-enabling studies for at least one additional asset whilst transitioning three projects into lead optimisation, initiating four new drug discovery programmes, We also aim at signing an additional collaboration in the year ahead.

2023 has the potential to be a breakthrough year for BenevolentAI. With the world's attention on AI applications that deliver real- world impact, we are strongly positioned to capitalise on this moment. With our substantial portfolio of platform-generated drugs, our work with big pharma and research collaborators, and our continued investment in state-of-the-art technology, we are showing every day how AI can be used to unlock the next wave of biopharma innovation.

We believe our leading platform will empower scientists to uncover novel treatments faster and with a higher probability of clinical success. Ultimately, our ambition is to facilitate the scaled development of new, more effective treatments for the patients who need them. I am confident in our ability to deliver on this mission.

Joanna Shields
Chief Executive Officer
20 March 2023

Progress sustained delivery across 2022

The following highlights the progress across our lead in-house clinical and pre-clinical pipeline assets and the continuous enhancement of the Benevolent Platform™.

What we do

AI-enabled drug discovery

BenevolentAI's goal is to create technology to drive a revolution in drug discovery. We believe that our scalable Benevolent Platform™ will transform the world's understanding of disease biology and help scientists uncover novel treatment approaches faster, and with a higher probability of clinical success.

The Benevolent Platform™ enables scientists to navigate an ever-expanding data landscape to map complex multifactorial diseases in unprecedented detail. Our AI tools generate valuable insights from this data, empowering scientists to formulate new hypotheses and rapidly discover high-quality drug targets based on a better understanding of disease.

We build technology in the service of science

We use AI to augment human intelligence. We design our technology to enable scientists to better understand the development of disease mechanisms, discover novel drug targets and make decisions with greater confidence. Combined, we believe this approach will measurably improve the success rate of our portfolio, and help us deliver treatments to the patients who need them – because it matters.

Partners

We work with leading biopharma companies

We partner with pharmaceutical and biotech companies to discover novel treatments using our the Benevolent Platform™, which can uniquely find targets for any disease and drug modality.

Impact

Robust drug pipeline entirely generated by the Benevolent Platform™

- In 2022, we deepened our in-house pipeline of platform-generated drug programmes, ending the year with 15 named drug programmes and ten exploratory stage programmes. Our pipeline spans from target discovery through to Phase IIa, with a healthy balance of best-in-class and first-in-class programmes.

Successful ongoing collaboration with AstraZeneca

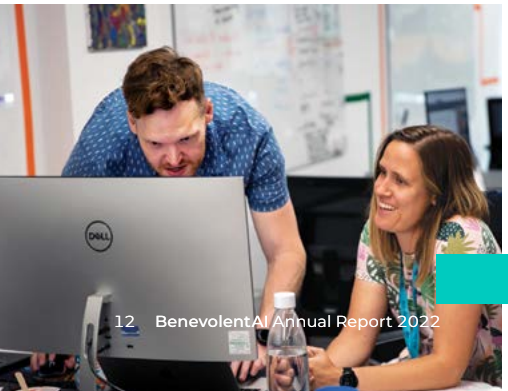
- We consistently delivered results in our collaboration with AstraZeneca, who selected three additional novel targets to enter their portfolio in 2022, bringing the total to five novel targets selected in the collaboration to date. In January 2022, AstraZeneca extended the collaboration agreement for a further three years into two new disease areas, leading to a significant cash investment as part of the Business Combination.

Life-saving COVID-19 research

- In May 2022, baricitinib, the drug discovered by BenevolentAI as a potential COVID-19 treatment, was fully approved by the US FDA to treat COVID-19. BenevolentAI scientists used our AI tools to identify baricitinib in just 48 hours in early 2020, and the drug was later shown to reduce deaths by 38% in hospitalised patients.

Our strategy for long-term impact

- This year we took the first step in our commitment to weaving environmental, social and governance (ESG) stewardship into the fabric of our mission, and began the process of formally mapping and measuring the impact of our business and platform on our people, patients, partners and planet.



Achieved sustained progress in our platform-generated clinical and pre-clinical pipeline

BEN-2293 – a topical best-in-class PanTrk inhibitor in development to relieve inflammation and rapidly resolve itch in patients with atopic dermatitis (AD): Phase IIa top-line data expected in Q1 2023

BEN-2293 is our drug candidate that is being explored as a treatment for mild and moderate atopic dermatitis, with the potential to be explored within severe atopic dermatitis. The molecule is an inhibitor of three tropomyosin receptor kinases (Trk), TrkA, TrkB and TrkC.

Atopic dermatitis is the most prevalent chronic inflammatory skin condition, with around 70% of patients presenting in the mild-moderate disease category. The addressable market for atopic dermatitis is forecast to exceed $16.7 billion in the seven major markets by 2030.[1]

We have now completed the second part of a Phase Ib/IIa double-blind, placebo-controlled, first-in-human, two-part clinical study to investigate the safety, tolerability, PK and efficacy of repeat topical dosing of BEN-2293 in 90 patients with mild to moderate AD. The Phase Ib portion of the study in 32 patients was successfully completed in December 2021. The Phase IIa portion in 90 patients completed at the end of 2022 with data expected in Q1 2023. Efficacy measures incorporated in the study included changes to the eczema area severity index (EASI) and affected body surface area (BSA), a validated investigator global assessment (vIGA-AD), an NRS itch scale, time to itch reduction and quality of life questionnaires.

The Benevolent Platform™ identified the role of the Trk receptors as mediators of both itch and inflammation in atopic dermatitis. Applying expertise in molecular design, we were able to design potent and selective inhibitors specifically of the three Trk receptors with high selectivity. We believe that BEN-2293 has the potential to demonstrate efficacy against both itch and inflammation with fewer side effects than steroid creams and various inhibitor treatments that are currently the dominant forms of treatment for this chronic condition.

Subject to the Phase IIa BEN-2293 results it is our intention to out-license this asset with a pharmaceutical company that has a focus on dermatology for continued clinical development and, if approved, commercialisation.

BenevolentAI has filed for formulation and composition of matter patents covering BEN-2293.

1. Source: GlobalData Atopic Dermatitis: Global Drug Forecast and Market Analysis to 2030, 31 March 2022.

BEN-8744 is our orally administered, peripherally restricted small molecule PDE10 inhibitor under development as a first-in-class treatment for ulcerative colitis (UC) and with potential for other indications within inflammatory bowel disease

UC is a chronic disease that causes inflammation and ulceration of the inner lining of the colon and rectum, but the exact cause of UC is unknown. UC affects 0.4% of the US population, and 31% of patients have moderate-to-severe disease.

We submitted a Clinical Trial Application (CTA) to the UK Medicines and Healthcare Products Regulatory Agency (MHRA) in December 2022, and expect to initiate a Phase I clinical trial in H1 2023.

BEN-8744 is differentiated by its novel mechanism of action, with no known research linking it with the disease, and there is an opportunity to further differentiate BEN-8744 based on safety and efficacy.

PDE10 reduces intracellular levels of the signalling molecule cGMP. Restoration of cGMP levels by PDE10 inhibition is anticipated to have a direct anti-inflammatory and disease-modifying benefit.

BenevolentAI will look to demonstrate that BEN-8744 is effective in treating moderate-to-severe cases of UC and with fewer side effects than the anti-TNF and JAK inhibitors that are currently the dominant form of treatment for this disease.

BenevolentAI has filed for second medical use and composition of matter patents in respect of BEN-8744.

BEN-28010 is an orally administered asset under development as a best-in-class treatment for glioblastoma multiforme

This asset was declared a clinical candidate in July 2022, and preparation for IND-enabling studies is ongoing. Subject to positive data, the asset will then be ready for Phase I studies in 2024.

BenevolentAI has filed a number of patents covering BEN-28010.

Grew our pre-clinical pipeline

We continued to see strong progress a cross the rest of the pipeline , with three assets progressing into lead optimisation stage during the period. We also started four new drug programmes in 2022 and with all targets generated from the Benevolent Platform™.

Delivered performance enhancements across the Benevolent Platform™

The Benevolent Platform™ is a flexible and scalable AI-enabled drug discovery engine that enables scientists to formulate new hypotheses and rapidly discover high-quality drug targets based on a better understanding of disease. The platform runs repeatable, reproducible processes at scale and continuously learns from insights generated from experimental data generated from the Company's wet-lab facilities and AI models in order to improve target predictions. This continuous learning loop enables the Company to further enhance target identification and accelerate end-to-end drug discovery.

Our Knowledge Graph serves as a data engine for The Benevolent Platform™. The graph charts the relationships between biological entities such as genes, proteins, diseases and compounds, by drawing on over 85 diverse data sources, including 'omics, molecules, experimental data, literature, pathology and biological systems. Using techniques such as natural language processing (NLP), our AI and machine learning algorithms generate new knowledge and proprietary insights; either by linking things out there that have not been linked before, or inferring things that should be true, but haven't been found yet.

In 2022, we continued to grow and enrich our data foundations with new and generated insights by increasing the quantity of patient-level data ('omics) and enhancing our NLP recall. This led to an increase of over 250% in relationship volume in the Knowledge Graph from June 2021 to August 2022, although we expect this growth rate to moderate in future years. The Knowledge Graph continues to evolve, and we launched the next generation of the Knowledge Graph (KG 2.0) during the period to enhance the recall of facts from scientific literature, supporting more nuance and specificity in our biological relationships.

We also improved our AI tools for scientists and predictive algorithms. We completed extensions and enhancements to our existing suite of tools to allow for novel targets best prosecuted by alternative modalities, for example, monoclonal antibodies. We also integrated sophisticated large language model (LLM) approaches into our tech stack, which have been purpose-built to predict drug targets and augment critical R&D decisions.

Delivered strong performance in commercial Target ID collaboration with AstraZeneca

- Three additional targets discovered using the Benevolent Platform™ have been selected to enter AstraZeneca's drug discovery portfolio.
- Collaboration initiated in 2019 for two indications: chronic kidney disease (CKD) and idiopathic pulmonary fibrosis (IPF) with one target selected and validated in house by AZ for each indication in 2021.
- A three-year collaboration extension announced in January 2022, adding two new disease areas: systemic lupus erythematosus (SLE) and heart failure (HF).
- Second novel target selected for IPF in May, and two additional targets for CKD and IPF selected in October 2022 bringing the total to five.
- Collaboration provided upfront license fees with the potential to generate significant milestones and royalties to for BenevolentAI or future development milestones and sales-based royalty revenues on any successfully commercialised asset.

Achieved full FDA approval for baricitinib in May 2022. BenevolentAI scientists first identified baricitinib as a COVID-19 treatment using the Benevolent Platform™ in January 2020

- In May 2022, the US Food and Drug Administration (FDA) granted full approval for baricitinib (approved for rheumatoid arthritis and marketed by Eli Lilly) to treat COVID-19 in hospitalised adults requiring supplemental oxygen, non-invasive or invasive mechanical ventilation, or extracorporeal membrane oxygenation (ECMO), clinically validating BenevolentAI's approach.
- BenevolentAI first identified baricitinib as a repurposed drug candidate in 2020 using the Benevolent Platform™. Baricitinib delivered a 38% reduction in mortality in hospitalised patients, rising to 46% for those on supplemental oxygen, in Eli Lilly's COV-BARRIER trial.
- As previously disclosed, Eli Lilly subsequently invested in BenevolentAI in 2020.

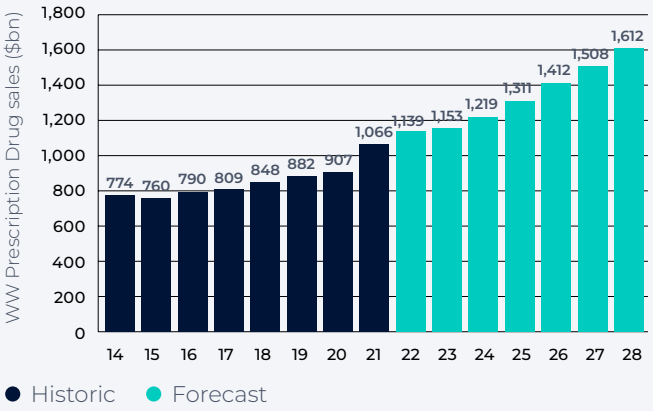
Initiated a non-commercial collaboration with the Drugs for Neglected Disease initiative (DNDi) and with Stanford University-based Helix Group

- Initiated phase two of AI research partnership with the Stanford University-based Helix Group.
- Initiated AI research collaboration with the Drugs for Neglected Disease initiative (DNDi).

A growing pharmaceutical sector

BenevolentAI operates within the global pharmaceutical market, a market that generated $1.1 trillion in sales in 2021 and that is forecast to grow by 6% per annum to 2028. The global trends fuelling this demand include: growing and ageing populations, an increasing burden of chronic disease, the impact of climate change and pandemics, such as that seen with COVID-19. The COVID-19 pandemic in particular has highlighted challenges from a supply chain perspective but also accelerated healthcare innovation and change.

Worldwide total prescription drug sales (2014–2028)



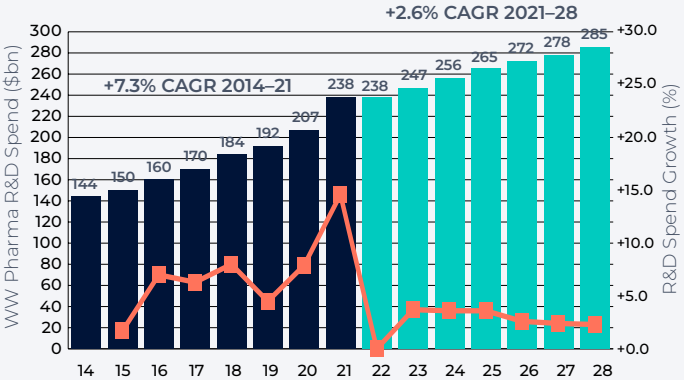
Note: 61% CAGR 2021–2028. Source: Evaluate Pharma© (Aug 2022).

Source: Evaluate Pharma's consensus forecasts. These numbers are based on sellside analyst estimates, and include forecasts for Research and Development (R&D) projects as well as products already on the market.

Within the global pharmaceutical market BenevolentAI is aiming to revolutionise the process of drug R&D, a market itself worth $238 billion in 2021. By using the Benevolent Platform™, we aim to improve efficiencies from a time and cost perspective, but also to improve the probability of success for developing medicines as they progress through the clinic.

Worldwide total pharmaceutical R&D spend in 2014–2028

Source: Evaluate Pharma© (Aug 2022).

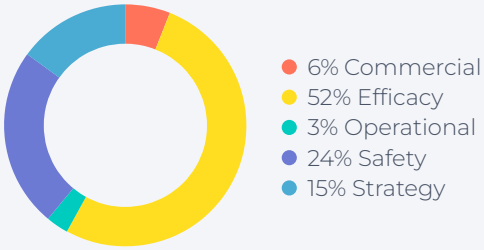


Overview of current drug discovery limitations

Drug discovery and development is a characteristically slow and risky process. 96% of new drug programmes and over half of Phase II/III clinical trials end in failure and, of those that succeed, an average investment of $2.6 billion is required to bring a drug through R&D to the market – a process that takes on average ten years.[1] Even when a new drug does make it to market, it is likely to be ineffective for 50% to 70% of patients.[2] Many companies currently rely on just one data type for their drug discovery predictions, using, for example, only imaging or publicly available gene expression databases. Accordingly, their data may not reflect the underlying diversity or connections within disease. For complex multifactorial disorders, such as autoimmune conditions and central nervous system disorders, the underlying mechanisms of disease remain poorly understood, despite the exponential growth of biomedical research and over $160 billion of investment per year being spent on drug research and development worldwide.[3] As a result, many patients are suffering from untreated or poorly managed diseases, of which there are approximately 9,000.[4]

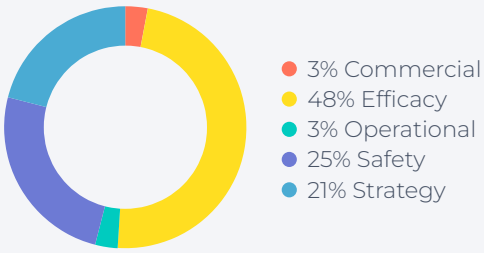
1. phrma.org and Harrison (2016).
2. https://bmcmedicine.biomedcentral.com/articles/10.1186/s12916-015-0494-1.
3. Novasecta Ltd.
4. BioPro.

Figure 1: Reason underlying failure



Source: Nature Reviews Drug Discovery 15 Dec 2016.

Figure 2: Reason for failure in Phase 2



Source: Nature Reviews Drug Discovery 15 Dec 2016.

The AI value proposition for pharma R&D

Two main areas where AI approaches can add value to pharma R&D:

1. Direct R&D costs savings; and
2. More importantly, increasing the probability of success.

Discovery & pre-clinical

Direct R&D cost savings

"Faster and cost effective"

INDUSTRY STANDARD		AI-ENHANCED	
$33 million over 5.5 years	→	$15 million over 3-3.5 years	Based on industry benchmarks and internal programmes

Reduce pre-clinical cost by >50% and time to market by 2-2.5 years.

Note
Lab research and target identification costs and time not captured in industry data — likely to add significantly to the industry standard time and cost.

Clinical development

Increasing probability of success

"Get it right more often"

Highest attrition is at Phase II (current 34% success rate)[2]

~50% Phase II/III trial failures due to lack of efficacy[3]

	INDUSTRY STANDARD	AI-ENHANCED (ILLUSTRATIVE)
PoS from Phase I to Market	12%	24%
# Phase I candidates required for one approved drug	9	4
Illustrative NPV[1]	c.$60m	c.$200m

Illustrative 25% PoS improvement at each clinical stage (Phase I-III)

Context

- Phase II trials with pre-selection biomarkers already >50% more likely to succeed[4]
- Industry experts estimate that the use of AI can improve the PoS of each phase by up to 45%[5]

Direct R&D cost savings

Industry data shows it takes on average 5.5 years and $33 million to go from the start of chemistry into the clinic.

Internally, BenevolentAI has demonstrated an ability to deliver a greater than 50% decrease in cost and over a two-year increase in speed in delivering a CTA or IND compared to industry averages. These benefits are before considering the actual process of discovering and validating a target for a disease, which management believes takes pharma companies considerable time and cost but that has not been quantified. This is relative to BenevolentAI which can identify and validate new targets within a year.

45%

Consensus from interviews with industry experts was that up to 45% improvement due to AI was possible at each stage of development

>50%

Phase II trials are 50% more likely to succeed if you use biomarkers

Increasing probability of success

The much larger impact of AI in terms of overall R&D productivity is increasing the probability of success. A drug costs so much to develop (c. $2.6 billion) because of paying for all the failures along the way, often failing several years and many millions of pounds into the process. Phase II is where most clinical trials fail, with success rates of around 30%.

This is where we believe AI holds the biggest promise: in helping to unravel the underlying biology at the earliest phase of the R&D process, in order to select the right drug target at the outset. This is crucial because poor efficacy, which may be linked to a poor target choice for that disease, drives 50% of failures in Phase II and Phase III clinical trials.

The model above illustrates what a 25% improvement at each stage of clinical development looks like, driven by better target prediction, and patient stratification would improve the overall likelihood of approval, and subsequent economics.

Improving each clinical stage by 25% at least doubles the chance of a drug that enters the clinic getting to market. This means that rather than needing nine programmes entering the clinic to get one approved, you need four, more than tripling the NPV of the programme.

As context for how realistic this illustrative model is, it's worth noting that already, Phase II trials are 50% more likely to succeed if you use biomarkers, something which BenevolentAI aims to achieve for each of its programmes through its Precision Medicine approach. Expert interviews with peers and Pharma executives showed a consensus that up to 45% improvements at each stage, due to AI, was possible.

Notes and Sources: For illustrative purposes only; (1) Illustrative NPV for a theoretical $750 million peak sales drug during initial 10Y on the market (assumes (i) peak sales reached five years post-launch, (ii) 90% gross margin, (iii) 20% S&M expenses, (iv) 20% tax, (v) a 10% discount rate) and (vi) excludes any terminal value). (2) Based on Paul et al Nat Rev Drug Discov 2010. (3) Based on Harrison, Nat Rev Drug Discov 2016. (4) Based on Biomedtracker/PharmaIntelligence 2021. (5) Based on Odyssey Due Diligence report.

Our flexible business model unlocks multiple routes to value creation

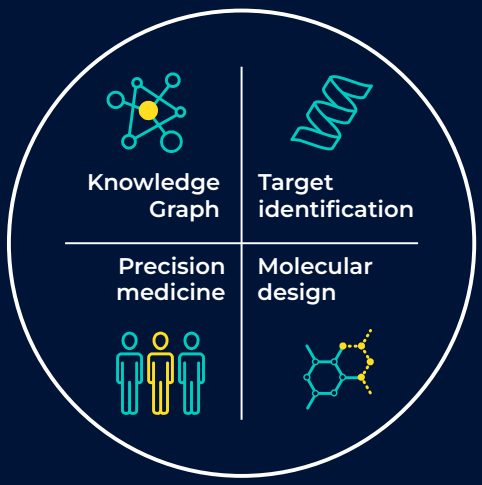
Owned pipeline
- Platform-generated assets
- In-house development

Licensing
- Platform-generated assets
- Out-licensed at IND, end Phase I or end Phase II

Platform collaborations
- Economic benefits
- Platform validation
- Data generated enriches the Benevolent Platform™

Non-commercial collaborations
- ESG
- Data generated enriches the Benevolent Platform™

AI discovery tools



Owned pipeline

From target identification to clinical development

Through the combined capabilities of the Benevolent Platform™, our robust AI chemistry capabilities and fully equipped labs, we can rapidly take programmes from discovery to preclinical and clinical development.

Licensing

Drug development licensing partnerships

We are actively exploring strategic licensing discussions and late-stage development and commercialisation partnerships for specific assets in our pipeline in order to deliver our medicines to patients in need.

Platform collaborations

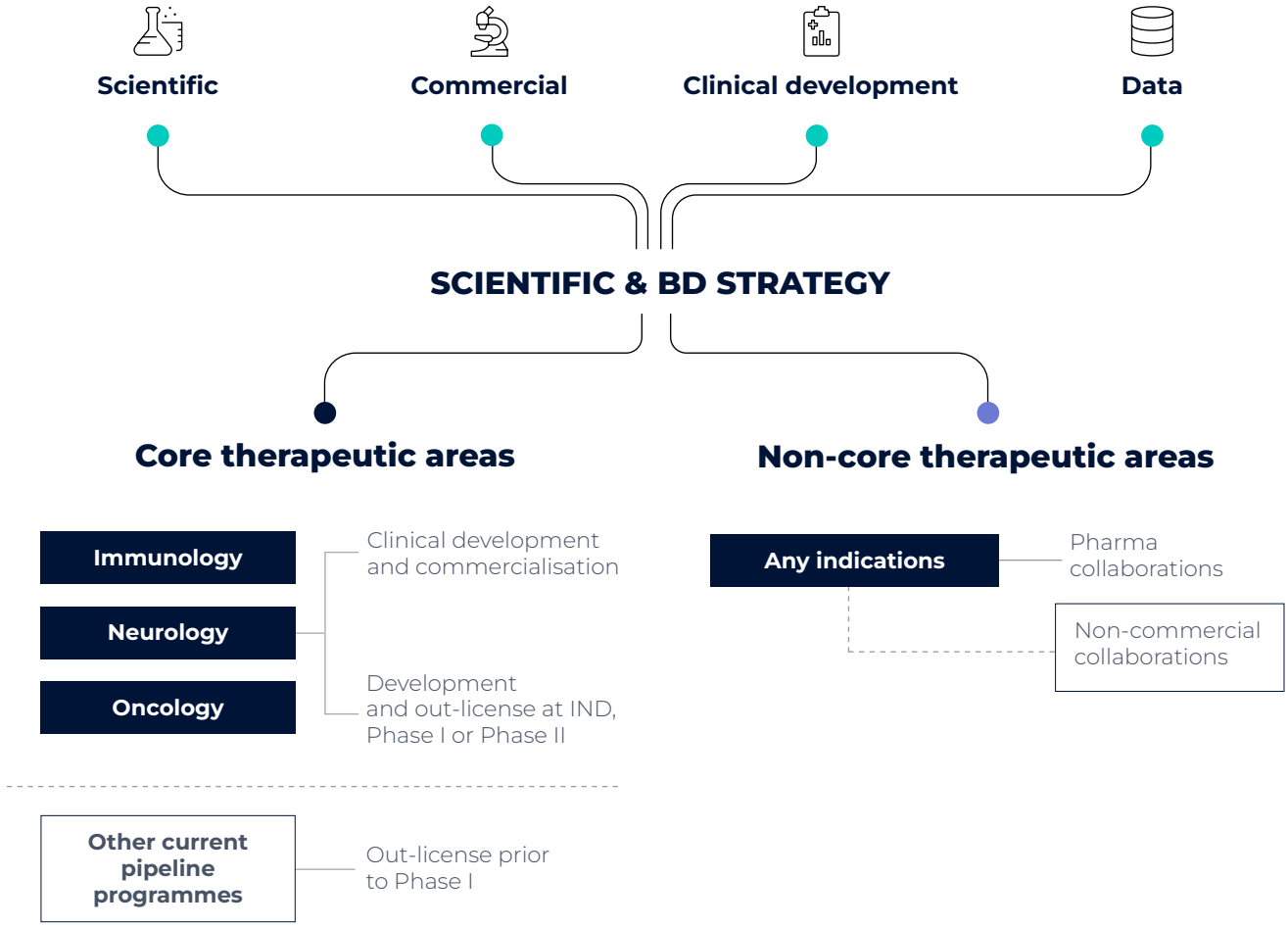
Collaborating with leading biopharma companies

Our versatile platform enables us to work with leading biopharma partners in any given disease area and drug modality to help them rapidly identify novel therapeutics.

Non-commercial collaborations

Using our platform for wider societal benefit

We pursue not-for-profit collaborations to unleash the full potential of our technology and deliver impact to patients in areas of urgent unmet need.



Our flexible business model allows for different approaches to drug discovery and development, which can be tailored to suit each individual programme. We can out-license drug candidates at different stages of clinical development and, therefore, adjust the required level of funding over time. Furthermore, with a validated platform that is agnostic to therapeutic area and drug modality, we can select the opportunities with the most attractive value creation potential.

While the Benevolent Platform™ is disease agnostic, with the unique ability to rapidly identify novel targets in any therapeutic area, we will now look to focus our in-house pipeline on three specific therapy areas: immunology, neurology and oncology. This focused approach will allow us to take forward assets where we have the right capabilities to successfully develop and, in the future, potentially commercialise with or without a partner. In all other disease areas, we will look to out-license assets in therapeutic areas requiring larger and more complex clinical trials, or in areas where we do not have the optimal internal capabilities to develop further.

We can also scale the Benevolent Platform™ in pharma partner environments, and will also target a small number of additional platform collaborations, similar to our collaboration with AstraZeneca. Such partnerships provide non-dilutive funding, further validate our platform and, importantly, allow us to leverage the additional data generated to enhance our Knowledge Graph to the benefit of our in-house pipeline.

We expect to generate revenue broadly from three streams:

Platform collaboration revenue:

We may receive upfront payments, research funding, milestones and royalties from platform collaborations. Platform collaborations are where we work with a partner to identify new drug targets using the Benevolent Platform™. This includes our current collaboration with AstraZeneca, which began in 2019 and has recently been extended until 2025.

Out-license revenue:

For some drug programmes, we will choose to out-license to partners, which will then assume responsibility for some or all of the remaining clinical development and commercialisation. At the point of out-licensing each drug candidate, we expect to receive an upfront payment and then to receive milestone payments upon successfully completing various clinical, regulatory and/or sales milestones by the licensor. In addition, we would expect to receive royalty payments on the net sales of the out-licensed drugs.

Product sales from self-commercialised assets:

We intend to commercialise certain drugs discovered using the Benevolent Platform™. Our first product launch is targeted for the second half of this decade or shortly thereafter, and we plan to build all the necessary infrastructure to successfully launch and commercialise our drugs globally or with partners.

We aim to dramatically improve pharmaceutical R&D productivity

Our mission is to unite AI and cutting-edge science to discover and develop new medicines for complex diseases.

Our purpose is to drive a revolution in drug discovery and develop new medicines for patients with a higher probability of clinical success.

Our ambition is to facilitate the scaled development of new, more effective treatments for the patients who need them.

Our three strategic pillars:

1

In-house development of pipeline assets

Our primary focus is to independently pursue the clinical development of certain in-house pipeline assets in a number of selected core therapeutic areas, identified as immunology, neurology and oncology, before either commercialising these in house or with partners. Our lead asset for this approach is BEN-8744 for ulcerative colitis, which is expected to enter a Phase I clinical study in H1 2023.

2

Out-licensing of pipeline assets

We will out-license pipeline assets that do not fit within our target indications at selective times to maximise value. Our lead asset for this approach is BEN-2293, which, subject to results, we will aim to out-license in 2023 following the results of the Phase IIa study.

3

Strategic collaborations

We will endeavour to enter additional strategic collaborations to leverage our disease-agnostic capabilities into therapeutic indications outside our focus areas.

To achieve this we will continually enhance the Benevolent Platform™ in order to increase the probability of clinical success for assets where the target has been identified by BenevolentAI, and, in doing so, positively impact society by lowering the R&D time and resources needed to deliver new medicines to patients.

Measuring our performance

The Group uses a range of financial and non-financial KPIs to measure strategic performance.

Financial KPIs

1 Cash, cash equivalents and short-term deposits (£m)

Why it is a KPI:

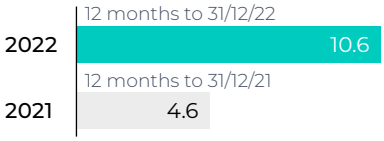
Availability of sufficient liquidity is important for funding BenevolentAI's strategy, R&D investment in our pipeline and development assets, as well as investment to drive innovation across Product & Technology.

2022 performance:

The cash position has materially strengthened driven by the PIPE, backstop proceeds and the Business Combination[1], with gross proceeds of €225 million (£186.8 million). We also expanded the AstraZeneca collaboration leading to an upfront payment and increased revenues. Alongside these factors, and through good cost control, we have ended the year with cash, cash equivalents and short-term deposits of £130.2 million, at the top end of our stated guidance.

1. See note 4 in the consolidated financial statements.

2 Revenue growth (£m)



Why it is a KPI:

Revenue, being a statutory performance measure, is a KPI as it drives cash generation. The KPI is the total of revenues generated by the Group's business model that comprises:

- monetising our platform through commercial collaborations;
- developing our own pipeline of wholly-owned assets with the aim of out-licensing certain assets; and
- co-developing/co-commercialising or, potentially, eventually commercialising certain in-house assets.

Revenue would be generated from a mix of upfront and milestone payments and upon any successful commercialisation, royalty payments.

2022 performance:

The Group's revenues have increased from £4.6 million to £10.6 million.

The increase in revenues primarily reflect increased revenues from the AstraZeneca collaboration and the majority reflecting a second AI-enabled drug discovery collaboration starting in January 2022, combined with revenue from a one-year extension on the initial collaboration that began in late 2021. We also recognised three milestone payments in 2022 as AstraZeneca selected three additional novel targets in both chronic kidney disease (one target) and idiopathic pulmonary fibrosis (two targets).

In 2023 the Board anticipates one further collaboration with similar metrics to that of the AstraZeneca collaboration as well as the out-licensing of BEN-2293 assuming the data of the Phase IIa trial is positive.

Non-financial KPIs

3 Pipeline progression performance measures

Successful drug development is key to creating long-term value. Our pipeline encompasses a broad range of assets across various stages of discovery and development. Each year, we set ourselves stretch targets relating to completion of key milestones across our development pipeline.

In-house development

In December 2022, we submitted a CTA to the MHRA for BEN-8744. Subject to obtaining MHRA approval we plan to initiate a Phase I clinical trial of BEN-8744, anticipated to commence in the first half of 2023.

Towards the end of 2023 we aim to submit a CTA for BEN-28010 in GBM ahead of a Phase 1 clinical trial starting in 2024.

Number of INDs completed

We aim to complete 1-2 INDs per annum for the next three years. To achieve this, we anticipate beginning a Phase 1 clinical trial for BEN-8744 in ulcerative colitis in the first half of 2023.

Number of new drug programmes

In 2022 we started four new drug programs with all targets generated from the Benevolent Platform™. In 2023, we expect to add between four and six named drug programmes.

4 Assets out-licensed – outside core focus of indications

Our lead asset for this approach is BEN-2293, which we will aim to out-license in 2023 subject to positive Phase IIa data.

5 Partners

In addition to our in-house pipeline, we will also target a small number of additional platform collaborations, similar to those with AstraZeneca. These would be low volume and likely one every other year.

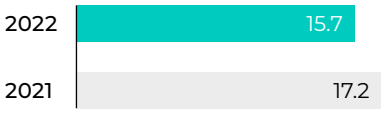
6 BenevolentAI Platform™

Data Foundations

We continue to grow and enrich our data foundations with new and generated insights primarily due to an increase in patient-level data ('omics) and enhanced natural language processing (NLP) recall. During 2023 the Company aims to add new data sets to further improve our Target ID model predictions.

7 People

Staff attrition (%)



Why is it a KPI:

At BenevolentAI, we are highly dependent on the capabilities, creativity and motivation of our employees for our future growth and success. We operate in an extremely complex domain, and therefore losing highly trained employees can have a negative effect on our delivery, particularly when these people are deemed critical talent.

2022 performance:

In 2022, Tech companies experienced high turnover in London and New York. Our turnover rate for 2022 was 15.7%, reflecting the proactive initiatives we rolled out to retain and develop our people, including a competitive market review of salaries at the start of 2022 and leadership development programmes. Our 2022 voluntary turnover in the Drug Discovery function was 9%, lower than the Life Sciences industry average of 9.5%. In our Cambridge office and labs, the turnover was even lower at 7%.

In 2023 we will focus on keeping our attrition rate steady and continue the successful initiatives that have seen it fall over the past two years. We understand we operate in a competitive, volatile market and also recognise that some attrition is not always negative, with new talent bringing fresh perspectives and innovative ideas into the organisation. We will aim for less than 10% of leavers to be our most critical talent, focusing the most intensive retention efforts on those who have the most positive business impact.

Stakeholder engagement

BenevolentAI's aim is to create technology to drive a revolution in drug discovery and develop new medicines for patients with a higher probability of clinical success. Our purpose has always centred on having a positive impact on society, and we recognise the need to develop and implement a broader set of sustainability initiatives to broaden our impact and deliver value for our shareholders. For more details on the Company's approach to sustainability, please see pages 26 to 38 of this report.

We are committed to strong, regular, and transparent engagement with the Company's stakeholders. These are the people, communities and organisations with an interest in our mission, purpose and strategy or who may otherwise be affected by decisions made by our Board.

This table outlines a list of the Company's stakeholders, why they are important to the Company, why we think we are important to them and how we engage. Engagement with our key stakeholders is regularly reviewed to ensure we learn from these relationships for the benefit of all.

Employees

Our people believe in the purpose of the Group and share its vision. Effective engagement aligns employees with the Group's strong culture and core values.

Why they are important to the Group

Our people are fundamental to our success and future growth. We need to acquire, retain and develop a talented and diverse workforce in a competitive environment. It is vital that we maintain our unique culture and align employees with our purpose.

Why the Group is important to them

Our employees want a great career, and a positive and motivating work environment where they can thrive. BenevolentAI offers a diverse working culture offering opportunities for career development and personal growth.

How we engage

- We encourage a culture of open communication through a range of two-way mediums including bi-weekly All Hands, monthly newsletters and other digital communications and providing internal training. We will also create and report our Employee Net Promoter Score (eNPS) to monitor employee engagement.

Outcomes of engagement

- Innovation.
- Employee engagement.
- Learning & development.
- Purpose and culture.
- Diversity and inclusion.
- Workplace safety and wellbeing.
- Competitive compensation and reward package.

Partners and collaborators

We partner with leading pharmaceutical and biotech companies to tackle therapeutic challenges from new angles and develop novel drugs for complex multifactorial diseases, and with non-commercial collaborators to broaden our positive societal impact.

Why they are important to the Group

Commercial collaborations provide revenue, further validate our platform and ultimately our goal to deliver maximum impact to patients. Academic collaborations allow us to access the best science and stimulate innovation, and non-commercial collaborations put our platform to good use for wider societal benefit.

Why the Group is important to them

Our versatile platform enables us to work with leading biopharma partners in any given disease area and drug modality to help them rapidly identify novel therapeutics.

Non-commercial collaborators benefit from using the Benevolent Platform™ to enhance research and impact to patients in areas of urgent unmet need.

How we engage

- We maintain a successful multitarget collaboration with AstraZeneca and a non-commercial collaboration with the DNDi.
- We work with Stanford University-based Helix Group looking at AI-research that aims to discover more effective methods to extract knowledge from biological and clinical information.

Outcomes of engagement

- Novel targets selected and validated for portfolio-entry.
- Continuous enhancement of our platform.
- Potential biological targets that could be repurposed: success with COVID-19 & potential for Dengue Fever with DNDi.
- Differentiated positioning in AI-enabled drug discovery industry.
- Broad innovation.

Communities

Our communities include those who live and work in areas where we operate – and society as a whole.

Why they are important to the Group

We need to develop positive local relationships and understand local people's needs in order to attract talent and deliver our goals.

Why the Group is important to them

We want to help our communities thrive.

How we engage

- The Company offers coaching programmes and office space to local charities for training purposes.

Outcomes of engagement

- Two-way coaching with young adults from underrepresented backgrounds and supporting/developing coaching and leadership skills.
- Fostering employee engagement with local organisations and charities by creating opportunities for employees to learn about their work and potentially engage with them through paid volunteering days offered by the Company.

Shareholders

Engagement with the Company's shareholders is key to its success, and effective communication with shareholders is an important part of the Board's responsibilities.

Why they are important to the Group

Our shareholders play a vital role in the success and growth of the Company and provide a source of capital.

Why the Group is important to them

Our shareholders want to generate a positive long-term return from their investment. Our shareholders want to understand our long-term strategy and how we plan to sustain value creation, together with shorter-term plans and communication of our progress.

How we engage

- Ongoing communications including interim and full-year results, followed by meetings and roadshows.
- We communicate news flow by regulatory and non-regulatory press releases; available on our website.
- The CEO, COO, CFO and VP Investor Relations, communicate regularly with our shareholders, engaging proactively with them and ensuring their views are communicated back to the Board.
- Capital Market Days, participation in conferences and ad hoc dialogue with key investor representatives are held in the intervening periods. We also maintain relationships with a number of research analysts.

Outcomes of engagement

- The Company's shareholders play an important role in the governance of the Company by ensuring their views are brought into Board discussions and considered in decision making.

Suppliers and vendors

Our suppliers and vendors include those who have a direct working or contractual relationship or share a mutual interest with us. This includes our service and data providers, contract research organisations, and general business providers.

Why they are important to the Group

Their vital contributions to our business range from providing products, raw materials, services and advice.

Why the Group is important to them

Through effective collaboration, we aim to build long-term relationships with our suppliers so that both parties benefit – we have relationships with contract research organisations, regular supplier meetings and business reviews.

How we engage

- The Company has ongoing multi-year relationships with several data providers.
- We choose the best CROs for our programmes and build relationships between parties.

Outcomes of engagement

- We have an efficient outsourcing model.
- We ensure data generated is of the highest quality in a pre-clinical and clinical setting and with the CROs provide input for us to make decisions.

Patients

Our mission is to unite AI and cutting-edge science to discover and develop new medicines for complex diseases that affect millions of people worldwide.

Why they are important to the Group

Patients are at the heart of what we do. We were founded to harness the power of the vast and growing corpus of biomedical data to understand the underlying cause of disease that ultimately leads to more effective drugs for patients in need.

Why the Group is important to them

Too many patients are suffering from untreated or poorly treated diseases. We put patients first, and use our disease-agnostic AI-drug discovery platform to expand the search for new treatments and increase the likelihood of success in diseases that have defied conventional research efforts.

How we engage

- We seek to address the needs of patients by maintaining an in-depth appreciation of clinical innovation, as well as understand the respective therapeutic needs. The CSO consults with key clinical opinion leaders, patient advocacy groups and regulatory experts to design pre-clinical and clinical trials for patients. The CSO regularly updates the Board on the results of such consultations.

Outcomes of engagement

- Ethical and effective design of clinical studies and protocols.
- Medicines that meaningfully improve a patient's life.
- Medicines that are valuable to society and patients alike.

ESG governance structure

This year we refined and formalised our approach to sustainability, under the direction of the newly established environmental, social and governance (ESG) governance structure and teams. Our structure draws on senior expertise across Group functions and allows us to prioritise our impact through organisational workstreams and to monitor progress against our plans across the Group.

Our attention this year has been on creating our sustainability framework, developing actionable plans for each material area, and increasing our focus on environmental considerations, including climate change, metrics and reporting. This should accelerate our sustainability ambition within the Group.

ESG Board Representative

Non-Executive Director – Dr. Susan Liautaud

Objectives – Oversee policies, monitor the inclusion of sustainability-related matters in strategy, budget, major capital expenditures. To provide guidance and agree measures and targets

Frequency of meeting – Semi-annual

ESG Lead team

Objectives – Monitors progress and performance of the Group's sustainability strategy. Led by General Counsel with a cross-functional team including representatives from Finance, IR, Communications and Facilities

Frequency of meeting – Quarterly

Environmental, Social and Governance workstream

Objectives – To provide measures and targets. To operationalise the goals set by the Board

Frequency of meeting – Quarterly

Our sustainability framework

Delivering sustained social, financial and environmental value

At BenevolentAI, our mission is to unite AI and cutting-edge science to discover and develop new medicines for complex diseases.

This mission is underpinned by a powerful purpose: to use our AI-enabled drug discovery platform to enhance understanding of biology, empower new discoveries and develop new medicines that generate a positive impact on society.

Four strategic pillars support us in achieving this purpose:

1. **Sustain our leadership position** as a clinical-stage AI-enabled drug discovery company, focused on target identification
2. **Deepen our pipeline** using the Benevolent Platform™ to rapidly identify and advance clinical assets to commercialise in house and through third parties
3. **Extend our impact** across a greater number of non-core therapeutic indications by partnering with pharma and not-for-profit organisations
4. **Build for the long term** by establishing organisational scalability and sustaining value creation

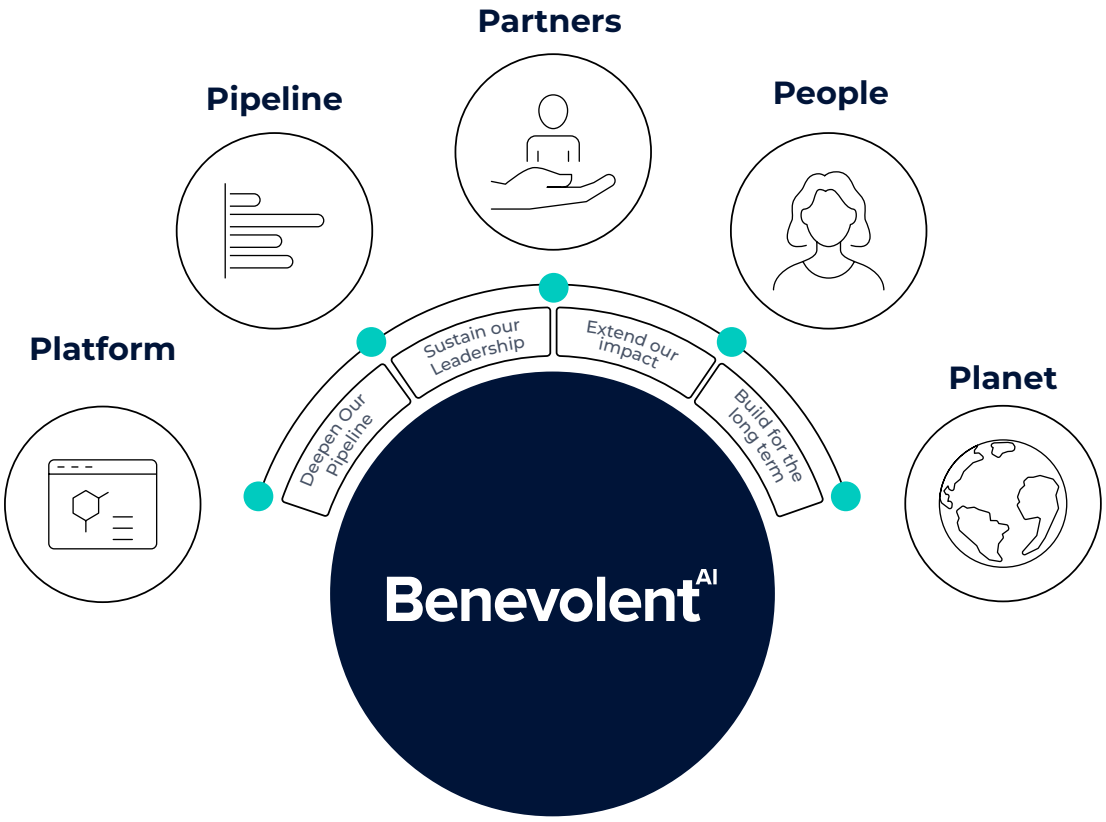
We are committed to weaving ESG stewardship into the fabric of our mission so we can deliver sustained social, financial and environmental value. We will concentrate our sustainability efforts around five core levers:

- Advance our **pipeline**
- Enhance our **platform**
- Support our **partners**
- Invest in our **people**
- Reduce our impact on the **planet**

Each of these levers are covered by our Governance policies and aligned with specific UN Sustainable Development Goals (SDGs).

We have identified the following sustainability issues as being the most material for our business and our stakeholders: diversity and inclusion, attraction and development, safety and wellbeing, innovation, product quality, cybersecurity, ethical conduct, reducing waste and climate change.

We aim to complete a materiality assessment in 2023 to further our understanding of these issues.



Platform

Our goal is to use our data foundations, AI-drug discovery platform and wet labs to identify and validate novel drug targets and develop new medicines, with the goal of increasing the probability of clinical success.

Commitments

1. To continually enhance our Platform in order to increase the probability of clinical success for assets where the target has been identified by BenevolentAI, and in doing so, positively impact society by lowering the R&D time and resources needed to deliver new medicines to patients.
2. To build technology that enhances scientific expertise and empowers scientists to discover new and more effective medicines.

KPIs

- Number of data sources utilised within the platform
- Number of biomedical relationships captured within the platform
- Number of new targets identified for our in-house pipeline and via collaborations
- Number of pipeline assets in development
- Number of named drug programmes progressing through preclinical and clinical development

2022 performance

BenevolentAI has built a transformative, scalable tech infrastructure with the capacity to discover new targets for any disease.

Our data foundations currently integrate and analyse biomedical data, including 'omics, molecules, experiments, literature, pathology and biological systems. Machine learning models extract biomedical entities, such as genes, diseases, drugs, processes and cell types, and infer relationships that capture how these entities interact in a human system. These relationships are stored in our Knowledge Graph as a network of contextualised scientific facts - providing a proprietary integrated view of biomedical data that supports discovery and decision making. We currently have over 85 data sources and 409 million biomedical relationships stored in the graph.

Our differentiated capabilities in knowledge and Target ID have played a pivotal role in the discovery and progression of our entire in-house pipeline and our partnership with AstraZeneca.

We continue to grow and enrich our data foundations with new and generated insights primarily due to an increase in patient-level data ('omics) and enhanced NLP recall.

Innovation is at the centre of everything we do, and at the same time as driving continuous improvement of our technology, we also reinforced our commitment to creating the conditions for creativity and innovation to flourish at BenevolentAI. We initiated phase two of an innovative AI research partnership with the Stanford University-based Helix Group in the H1 2022, which focuses on discovering more effective methods to extract knowledge from biological and clinical information.

2023 targets

During 2023 the Company aims to add new data sets to further improve our Target ID model predictions.

Pipeline

Our goal is to contribute positively to society by pushing the boundaries of technology and science to address significant unmet medical needs by developing new medicines for a broad range of undertreated diseases.

Commitments

3. Increase the number of wholly-owned pipeline assets
4. Independently pursue the clinical development of certain in-house pipeline assets
5. Out-license those assets that are not aligned to our focus areas of therapeutic indication
6. Out-license specific assets in our pipeline in order to deliver our medicines to patients in need

KPIs

- Number of pipeline assets in the clinic
- Number of assets in development
- Number of new targets identified

2022 performance

At BenevolentAI, our drug programmes target diseases spanning several therapeutic areas where there is high unmet need, meaning there are no approved therapies or there are significant shortcomings with existing treatment paradigms.

Our current portfolio comprises a broad range of diseases ranging from neurodegeneration such as ALS to inflammatory diseases like ulcerative colitis and life limiting cancers such as glioblastoma. Our portfolio targets diseases that affect millions worldwide and have significant morbidity and mortality, representing areas of high unmet medical need for new safe and effective treatments.

In December 2022, we submitted a CTA to the MHRA for BEN-8744.

In 2022 we started four new drug programs with all targets generated from the Benevolent Platform™.

2023 targets

Subject to obtaining MHRA approval we plan to initiate a Phase I clinical trial of BEN-8744, anticipated to commence in H1 2023.

Partners

Our goal is to maintain and establish commercial and not-for-profit partnerships to put our platform to good use for wider societal benefit and deliver maximum impact to patients.

Commitments

7. Increase our societal impact through long-term, mutually beneficial relationships
8. Uphold our ethical standards across our value chain

KPIs

- Develop a Supply Chain Policy/Code of Conduct
- Number of targets validated and selected by partners for asset development
- Number of pipeline assets in development with our partners
- Number of partnership deals signed

2022 performance

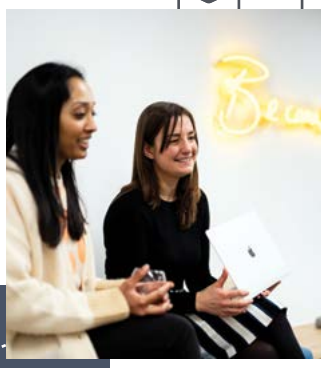
Three novel targets identified through our commercial collaboration with global biopharmaceutical company AstraZeneca were taken into development in 2022, up from two in 2021, bringing the total to five assets now being developed by partners, up from two in 2021. We also expanded our current collaboration with AstraZeneca for a further three years to include two new disease areas; SLS and HF – both debilitating diseases with high unmet patient needs.

BenevolentAI is a purposeful company, and we believe it is important to amplify the impact of our platform and put it to good use for wider societal benefit. This year we received further validation of our AI-enabled research as baricitinib – the drug we identified as a treatment for COVID-19 in January 2020 - was fully approved by the FDA. Baricitinib was shown to reduce deaths in hospitalised COVID-19 patients by 38% across hospitalised adult patients, rising to 46% for those on supplemental oxygen.

In 2022, we signed one new not-for-profit partnership with the Drugs for Neglected Diseases initiative (DNDi) (none signed in 2021). The partnership aims to identify targets and approved drugs that could be used to treat dengue fever, a climate-sensitive neglected disease. We have previously conducted non-commercial research projects with the Institute of Cancer Research, through which we successfully uncovered a new potential drug combination (vandetanib and everolimus) for treating children with diffuse intrinsic pontine glioma, a rare brain cancer in children.

2023 targets

We plan to sign one new commercial collaboration agreement and provide targets and/or on-market products that are suitable for diseases covered within our non-commercial collaboration agreements.



People

Our goal is to build an inclusive, supportive and engaging workplace that enables employees to collaborate, innovate and thrive. In doing so, we aim to attract, retain and develop exceptional and diverse talent to drive future growth and support our mission.

Commitments

9. Attract, retain and develop our talent to support our future growth and support our mission
10. Nurture a culture in which our employees can perform at their best
11. Promote diversity and inclusion
12. Inspire the next generation of future leaders from within

KPIs

- To create and report BenevolentAI's Employee Net Promoter Score (eNPS)
- Employee Glassdoor rating
- Days lost due to H&S
- Gender split of female representation in senior roles
- Report our gender pay gap in 2023
- Development plans for employees

2022 performance

Attracting, developing and retaining the best talent is crucial for delivering our Company strategy sustainably. We have grown our team to 363 permanent employees (2021: 292) or 389 including contractors and part-time employees (2021: 302), and at the same time, reduced attrition with voluntary turnover at 15.7% (down from 17.2% in 2021). Permanent employees make up 95% of our total workforce (2021: 97%), part-time employees represent 4% of our total workforce (2021: 4%), and temporary workers represent 5% of our total workforce (2021: 3%).

Creating a workplace that enables employees to collaborate, innovate and thrive is essential to our success, and we are proud that 92% of current or former employees who left feedback through Glassdoor would recommend BenevolentAI to a friend, with BenevolentAI achieving an overall Glassdoor score of 4.8 - ranking significantly higher than the industry average of 3.4.

We continued to increase our efforts to grow a diverse team and an inclusive culture, where everyone in our team is and feels welcomed, respected, supported and valued. We are committed to maintaining equal gender balance in our global workforce, and improving gender representation by recruiting, retaining and developing women leaders at all levels. Last year, we set out a range of new actions to build on the progress made to that point, including implementing diversity and inclusion targets linked to our Product & Technology organisation, where we now require at least 50:50 gender balance at the interviewing stage to promote equal opportunities, mixed interview panels to ensure a diverse group of interviewers, and use proactive sourcing to ensure we reach a diverse group of candidates.

People continued

2022 performance continued

We enhanced the gender balance within our Board of Directors, Senior Leadership Team (SLT) and Product & Tech team and of December 2022, women made up 53% of our global workforce (2021: 50%), 43% of our Executive Team (2021: 50%), 54% of our SLT (2021: 40%), 48% of People Management roles (2021: 44%) and 38% of our Board of Directors (2021: 14%). We have achieved our target of equal gender representation in our Product & Technology organisation (2022: 50%, 2021: 34%) and maintained gender balance in our drug discovery organisation (2022: 53%, 2021: 50%).

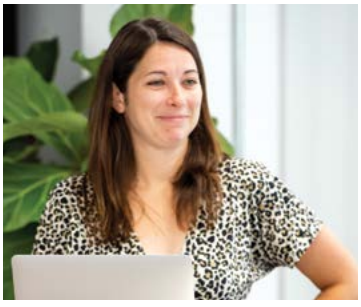
After the recruitment stage, our focus shifts towards providing an inclusive, supportive environment for all underrepresented groups. We run regular diversity and inclusion (D&I) events throughout the year, and have seen strong engagement in our D&I efforts in 2022. We currently have three employee networks where employees can openly discuss the issues which affect them and drive the changes they want to see in the organisation, including the LGBTQI+ network, gender network and parents networks, and we plan to launch our Neurodiversity network in 2023.

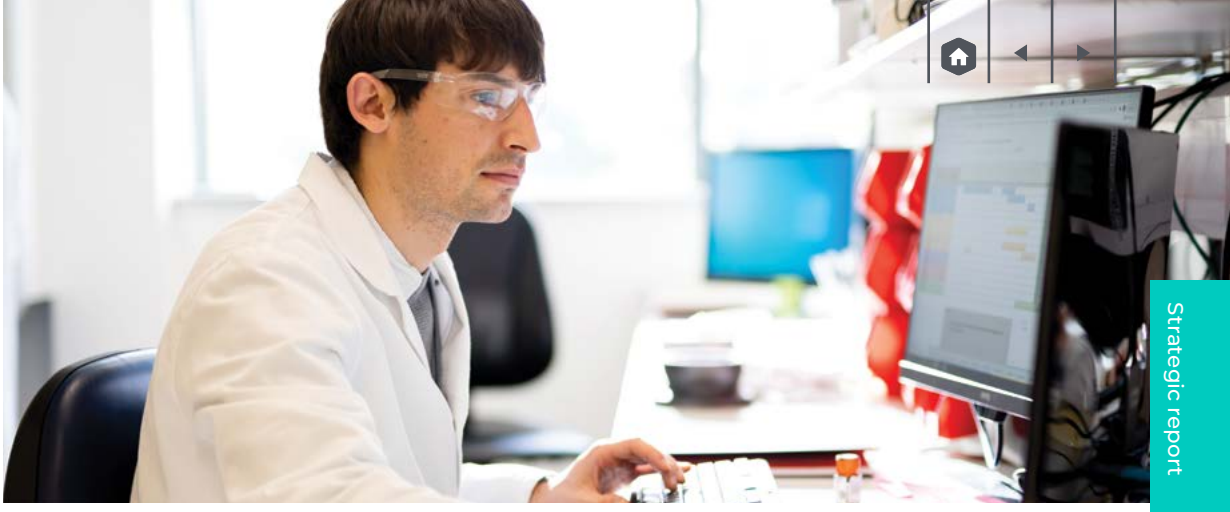
BenevolentAI focuses on developing people from within so they can grow with the Company. Internally, we supported 1159 total training hours through Company organised training and development programs in 2022, including courses on coaching and management. This included our inaugural Future Leaders Programme ('FLP'), which we launched in 2022 to provide robust leadership training to critical mid-senior level talent, with 90% of the twelve employees agreeing or strongly agreeing that the course would help them become an effective leader now or in the future. To ensure their development needs are being met and their talent is recognised, 100% of permanent employees receive performance evaluations every six months.

We are committed to protecting our employees' health and safety, we have a health and safety management system in place and ensure that all new team members attend mandatory, site-specific training designed to educate on the location-specific features, security concerns and emergency procedures. The number of days lost to health and safety incidents was 0 (2021: 0), maintaining our lost-time incident rate (per 200,000 hours worked) of 0, with zero fatalities (2021: 0) among all employees and contractors across all sites.

2023 targets

During 2023, we expect to retain or improve upon each of these metrics yet again. We do not have an NPS rating today, so a target for 2023 is to develop an NPS scoring methodology and publish this in our 2023 Annual Report. We also aim to retain our Glassdoor rating above 4.5, and ensure that at least 80% of all roles at BenevolentAI have development goals and personal objectives.





Planet

We recognise the need to act swiftly and intentionally to mitigate our impact on climate change, and are committed to reducing the environmental impact of our business activities by monitoring and reducing our emissions.

Commitments

13. We endeavour to reduce our proportional impact on the environment as our business continues to grow

KPIs

- Carbon emissions, tCO_2e
- Waste to landfill, tonnes

2022 performance

The Group consumed 7,311 tCO_2e in 2022, up from 4,122 tCO_2e in 2021, as part of ongoing activities. This was primarily due to purchasing as part of its drug discovery process (65% of the total in 2022 vs 66% in 2021). We send the majority of waste to recycling; in 2022 at our London site, we generated a total of 6.3 tonnes of total waste and sent 2.9 tonnes for waste to energy conversion, with the remainder recycled (recycling rate 55%). At our Cambridge site, we generated 20.5 tonnes of lab waste, but otherwise generate much less general waste than London and our provider recycles 60% waste, on average.

2023 targets

It is reasonable to expect our carbon emissions figure to rise year on year for three reasons; as we continue to develop more assets in the clinic, as more employees return to working in the office and as air travel ramps back up. BAI will aim to increase its tCO_2e rate at a lower level than both its headcount figure and a suitable pipeline measure to improve its efficiency year on year. We also plan to report our full Scope 3 carbon emissions in 2023.

The pandemic had a disproportionate impact on the total landfill waste in 2020, since the majority of employees were working from home. As such, whilst we envisage our total waste to landfill increasing year on year as we resume working from the office, we aim to recycle over 85% of our waste.

Methodology

GHG emissions have been calculated from business activities in accordance with the principles and requirements of the World Resources Institute (WRI) GHG Protocol: A Corporate Accounting and Reporting Standard (revised version). Scope 1 & 2 emissions have been derived from use data with the application of appropriate conversion factors (i.e., UK Government GHG Conversion Factors for Company Reporting, 2022). Data from all Group sites is included, with the exception of the US entity given it has no control over the emissions arising from the shared premises nor access to the data. The impact is expected to be immaterial. The Group has defined its organisational boundary using an operational control approach.

The Group reports on certain categories of Scope 3 Emissions only, as detailed in the table below with reference to the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 3 emissions have been derived from use and spend data with the application of unit and EEIO emissions factors.

Emissions, energy and other environment data

		Emissions by year (tCO_2e)	
Scope	Source	**2022**	2021
1	**Fuel consumption**	**246.9**	286.0
2	**Purchased electricity**	**103.9**	79.0
3	Waste disposal	**41.8**	29.6
3	Business travel – air	**176.2**	11.9
3	Business travel – land	**63.7**	5.1
3	Business travel – hotels & accommodation	**7.8**	2.2
3	Purchased goods and services	**6,670.3**	3,707.7
Total Scope 3		**6,959.8**	3,756.5
Total Scope 1, 2, 3		**7,310.6**	4,121.5
Scope 1 and 2 intensity by headcount		**0.991**	1.181
Non-renewable energy consumption (kWh)		**1,849,852**	1,981,204
Renewable energy consumption (kWh)		**284,316**	257,343
Total energy consumption (kWh)		**2,134,168**	2,238,547

We have had no environmental fines or penalties in the current or any previous years (£0).

Using our platform for wider societal benefit

Identified a COVID-19 treatment now approved for use by the FDA

- Scientists used our AI tools to identify baricitinib as a treatment in just 48 hours, published research in The Lancet in Feb 2020
- Our technology and AI workflows identified a previously unknown antiviral mechanism
- The COV-BARRIER trial showed baricitinib reduces mortality by 38% in hospitalised patients, and by 46% in ventilated or ECMO patients

> This story started with our novel AI-derived hypothesis, which quickly led to unprecedented global scientific collaboration from public, private and non-profit organisations around the world. The significance of this spans beyond COVID-19: it demonstrates that our technology can fundamentally transform the way we understand disease biology and help uncover new treatment approaches for thousands of diseases.

Dr. Anne Phelan
Chief Scientific Officer at BenevolentAI

DNDi
Best Science for the Most Neglected

Collaborating with the Drugs for Neglected Diseases *initiative* to accelerate life-saving research in dengue

- The collaboration uses the Benevolent Platform™ to identify potential biological targets and therapies that could be repurposed to treat dengue
- Dengue is a climate-sensitive neglected disease that represents one of the top ten threats to global public health, causing an estimated 390 million infections each year
- Insect-borne pathogens, such as dengue, could lead to the next pandemic according to the World Health Organization (WHO)

> There is no effective treatment for dengue and millions of patients across the globe urgently need safe, effective, affordable and accessible treatment options. Being able to apply cutting-edge AI technology in this partnership with BenevolentAI to help neglected patients opens an exciting new opportunity to rapidly identify promising drug candidates and later test them in clinical trials.

Dr. Charles Mowbray
Discovery Director at DNDi

Key initiatives

Actions we have taken to improve energy and water efficiency, and promote the responsible management of waste

- Our sites use LED lighting and energy efficient office equipment, such as automatic standby mode for all monitors, printers and coffee machines.
- HVAC systems are used efficiently by turning off at night, weekends and when the temperature is between 19 and 25 degrees Celsius.
- The impact of employee commuting is reduced by limiting travel between offices encouraging the use of public transport and offering the Stagecoach discounted ticket scheme. We also participate in the 'cycle to work scheme'.
- We have reduced our paper use by moving away from printing to cloud based or digital systems. Recycling bins are clearly signed in all offices to encourage sustainable waste disposal.
- We minimise our water consumption through ultra low flush toilets.
- Regular engagement with landlords at leased premises to improve water and energy efficiency, and responsible management of waste.

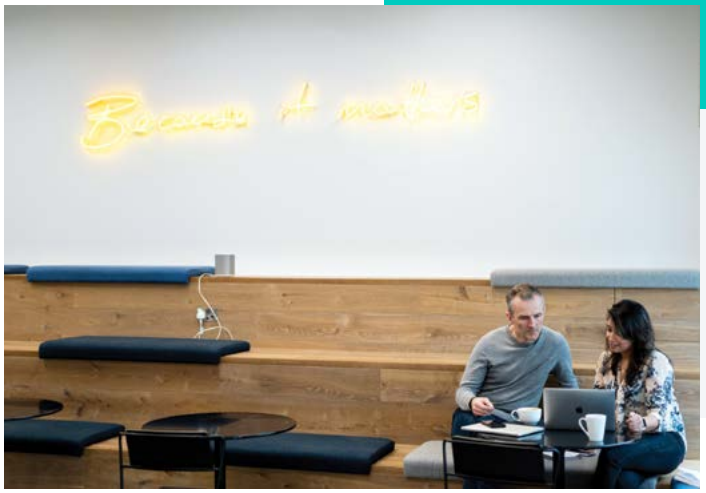
Sustainable governance

As sustainability is cross-cutting across our business, the impact that we have is considered and guided at many levels. On a governance level, it is built into our Board structures and our robust governance framework, which is bolstered by committees, groups and colleagues who feel empowered to instigate and drive activity within the business. This means many of our most impactful programmes are driven from the bottom-up.

The Board, supported by the Company Secretary, has overall oversight of our sustainability performance and ESG work. Our Non-Executive Director Dr. Susan Liautaud is the Board's primary contact point for all ESG matters and is supported by the Nomination and Governance Committee, which considers ESG updates each time it meets and provides the full Board with periodic updates as appropriate.

General Counsel Will Scrimshaw has overall responsibility for delivering our linked business and sustainability objectives, supported by members of the Executive Leadership Team (ELT) and the Senior Leadership Team (SLT).

Our governance strategy is centred around the following KPIs and commitments:



Sustainable governance continued

KPI 1 – Board Independence

Commitment

We are committed to ensuring independence and diversity across our Board.

2022 performance

The Board comprises eight Directors: an independent Non-Executive Chair, one Executive Director and six Non-Executive Directors (five being independent, with Dr. Jackie Hunter being non-independent as a former executive of the Company within the last three years).

Together, our Board bring a wealth of experience, skills and backgrounds to the Company - including pharma, tech, finance & capital markets, the public sector and academia. Our Chair and CEO roles remain separate positions. Three of our Directors are female resulting in a 38% female representation on the Board. More information on each of our Directors can be found on pages 46 and 47.

2023 target

In 2023, we expect to remain consistent with these numbers and where future vacancies arise, commit to increasing our Board independence and diversity even further in line with our newly implemented Board Diversity Policy.

See Board of Directors on pages 46 and 47 and Nomination and Governance Committee report on pages 59 and 60

KPI 2 – Board Structure and Committees

Commitment

Build a solid Board structure accompanied by all necessary Committees to ensure robust governance.

2022 performance

Dr. François Nader has been Chair of the Board of Directors since the Business Combination in April 2022 (and served as Chair of BenevolentAI Limited prior to that from July 2021). We have put in place four Board Committees, comprising Remuneration, Audit, Finance and Risk, Nomination and Governance, and Research and Development.

Our ESG strategy is overseen by our ESG Non-Executive Director Dr. Susan Liautaud and the Nomination and Governance Committee of the Board, which meets at least quarterly. Post-year end, in March 2023 we appointed a Senior Independent Non-Executive Director and a Workforce Non-Executive Director.

In late Q4 2022 the Board completed its first evaluation questionnaire and the Board is in the process of implementing actions.

2023 targets

In 2023, we expect to maintain and further embed our existing Board structure and Committees, further improving where and as needed.

Implementation of a formal Board and individual Director evaluation process will follow in 2023.

Read more on page 51

KPI 3 – Business Ethics, Compliance and Communication Transparency

Commitment

To maintain and further develop a suite of good corporate practices and policies where needed.

2022 performance

We have a comprehensive suite of corporate policies in place which help us to maintain and develop good corporate practices, including the following:

- Anti-Bribery & Anti-Corruption
- Insider Trading
- Whistleblower Policy
- Code of Business Conduct & Ethics
- Sanctions, Anti-Money Laundering, Policy and Counter-Terrorist Financing Policy
- Human Rights Policy
- Equality, Diversity & Inclusion Policy
- Data Protection Policy
- Environmental Policy
- Health and Safety Policy
- Tax Policy
- Supply Chain Policy

We have introduced a Company-wide training programme for employees to conduct appropriate third party and internal training upon joining the Company as part of our induction training, and at regular intervals after that.

KPI 3 – Business Ethics, Compliance and Communication Transparency continued

As per the policies listed above, we ensure zero tolerance of bribery and corruption anywhere in our value chain. We have an Anti-Bribery and Anti-Corruption Policy and training programme which all employees must take and repeat on a biannual basis. There have been zero instances of employee non-compliance with anti-bribery and corruption policies and procedures in 2022 (2021: 0).

We are transparent in our communications and we hold ourselves to our business conduct and practice as defined in our Code of Business Conduct & Ethics, which sets out the rules to which our employee actions and behaviours are held accountable. Furthermore and on an external level, we follow a rigorous approach of not engaging in any political activities or making financial contributions in the name of the Company (2022: £0, 2021: £0).

We provide multiple ways for colleagues to report any concerns, including through a Whistleblowing Policy and a whistleblowing hotline. Our Whistleblower Policy provides a mechanism for all employees to confidentially raise their concerns and sets out how the Company will respond. Additionally and internally, our staff forums are there to discuss and escalate ideas and challenges to senior leaders and relevant groups and as such, these forums can directly influence how we do things at BenevolentAI.

With the intent of demonstrating transparency and accountability for how our use of AI affects our work and, ultimately, people and society, we have also developed a set of AI ethical principles that can be found on our website, to guide our deployment and use of AI across our business.

2023 targets

We intend to further expand on the work done on AI and Ethics by establishing an internal AI Ethics Committee to ensure consistent alignment between our principles and work. We will also improve our Whistleblower Policy further with the introduction of an anonymous process via a third party provider, WhistleB, to allow for filing of anonymous reports. We will also develop a Code of Ethics, providing a set of principles to guide employee mindset and decision making. Finally, we intend to set up a process to expand our due diligence over human rights abuses to include our existing and potential suppliers, so as to assess our risk exposure to human rights abuses also within our supply chain, in addition to our own operations, as currently covered by the Human Rights Policy.

Read more on pages 50 to 55

KPI 4 – Intellectual Property protection

Commitment

We recognise the importance of protecting the intellectual property that is generated in the course of our work, while respecting the IP of others as well.

2022 performance

We hold registered and unregistered IP rights including patent applications, trade secrets, copyright works, confidential information and trademarks. We use patents to protect both our science (linked to our disease programmes) and our technology assets. All employees, contractors, partners and collaborators are subject to appropriate confidentiality obligations.

2023 targets

We will continue to refine and develop our effectiveness at capturing IP value through formal invention capture processes for trade secrets and patents.

Read more on pages 42 to 45

KPI 5 – Risk Management and Business Continuity

Commitment

To ensure prompt management of all possible risks across all aspects of our business.

2022 performance

We have a detailed Business Continuity Plan which was comprehensively reviewed and updated in 2020 to address new challenges posed by the global COVID-19 pandemic. We also have a disaster recovery plan that is owned and implemented by our Information Security team.

2023 targets

We will appoint a Head of Internal Audit & Risk role to lead on and further advance appropriate enterprise risk management processes across all aspects of our business.

Read more on pages 42 to 45

Sustainable governance continued

KPI 6 – Information Security and privacy

Commitment

Our primary objective is the protection of BenevolentAI's data, that and the privacy of our employees, and the system infrastructure we use. We commit to ensure that both (i) our data protection and privacy compliance programme, as well as (ii) our information security strategies are aligned with business objectives and consistent with all applicable regulations. To manage and protect corporate information by implementing processes, roles, controls and metrics that treat information as a valuable business asset.

2022 performance

We take Information Security very seriously and in the past three years cybersecurity at BenevolentAI has been significantly improved through efforts led by our dedicated Information Security (InfoSec) and Site Reliability Engineering (SRE) teams to address information and cybersecurity risks and threats, with the support and participation of employees through regular communication and engagement.

As we continue to leverage cloud technology and AI, we also focus on the governance of their use. All Benevolent information systems are appropriately protected and all data is held in AWS security-accredited cloud data centres. Benevolent maintains a formal cybersecurity programme structure and will commence the Cyber Essentials (a UK Government-backed scheme) certification process in Q1 2023. Benevolent systems are independently assessed annually by a certified cybersecurity consultancy for vulnerabilities and penetration testing. We continue to upgrade and invest in physical, administrative and technical measures to protect personal and business data. This includes programmes to educate and raise awareness among our people regarding sound and proper cybersecurity and data protection practices.

We have a Company-wide Business Continuity Plan in place which incorporates cybersecurity and information security risk. Additionally, our InfoSec team operates an incident management and response procedure, co-ordinating with our Site Reliability Engineering team (SRE) to manage business-wide disaster recovery efforts. We have an internal Information Security Policy which outlines our approach and commitment to information security management at the Company, and which is mandatory for all employees to review and understand. These plans and procedures are reviewed and updated at least annually and the Business Continuity Plane and Information Securtion Policy are tested at least every three years. In H2 2022 we took out specific cybersecurity insurance for our business.

Benevolent complies with all applicable laws across its geographical footprint of registered office in Luxembourg, head office in the UK, wet labs in Cambridge and further office in NYC. We are compliant with the UK GDPR and EU GDPR and the New York Shield Act and we have a comprehensive data protection and privacy compliance programme in place to reflect this. We first appointed a UK-based Data Protection Officer in 2019 who is responsible for ensuring that all our processing activities comply with applicable data protection rules.

2023 targets

Our ongoing programme of work will continue delivering controls that reduce our risk overhead and improve our security posture with a strong emphasis on ensuring we remain in compliance with all applicable laws and on meeting new regulatory requirements in specific geographical regions. Furthermore, we will complete the Cybersecurity Essential process.

Read more on pages 42 to 45

Product/Service safety policy

BenevolentAI (the "Company") and its subsidiaries (together, the "Group", "we", "us" or "our") acknowledges our position in, and association with, the biotechnology and pharmaceutical sectors, where there are product and service responsibility considerations relating to clinical trial patient safety, drug safety, counterfeiting, pricing and accessibility. BenevolentAI currently has no direct pharmaceutical products in the market, therefore responsibility and disclosure in relation to this topic is not applicable to the Company. We have a number of drug programmes for which we undertake, or plan to undertake, a clinical trial now or in the future and will ensure compliance with all applicable regulations for these programmes. More broadly, we also take our relationships with partner companies and organisations seriously, aiming to work with and support those who promote responsible practice.

Climate-related reporting requirements

We are aware of, and are closely monitoring, the upcoming introduction of climate-related reporting requirements through, for example, (i) Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852) and (ii) the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) - once adopted by various countries around the world. We do not consider that we fall within scope of these requirements for the year ended 31 December 2022.

We are making preparations to report in line with these new requirements once they become applicable to companies of our size (which we anticipate will be for financial years starting on or after 1 January 2025, subject to the timeframe for Luxembourg implementation of the Accounting Directive, as amended (Directive 2013/34/EU amended by Directive 2022/2464 as transposed into Luxembourg law) and subject to the roll-out of TCFD disclosure requirements by Luxembourg and/or the UK. That said, our preliminary assessment is there is limited climate-related risk exposure to the business and any impacts can be managed within a business-as-usual context, but we will conduct a thorough analysis and update in due course.

Focused investment to drive future growth

Key highlights

- Revenue increased to £10.6 million (2021: £4.6 million) primarily reflecting increased revenues from the AstraZeneca collaboration
- £12.1 million R&D tax credits received in the period
- Successfully completed Business Combination and listing on Euronext Amsterdam in April 2022 raising £186.8 million (€225 million) gross proceeds
- Cash, cash equivalents and short term deposits position of £130.2 million as at 31 December 2022 at the top end of market guidance (2021: £40.6 million)
- Maintained cash runway to Q4 2024 despite inflationary headwinds

> We have delivered a strong operational performance, achieving the majority of our strategic objectives within budget and ending the year with cash at the top end of our stated guidance.

Nicholas Keher
Chief Financial Officer

Dear shareholders

We have delivered a strong operational performance, achieving the majority of our strategic objectives within budget and ending the year with cash at the top end of our stated guidance. With the Business Combination completed (detailed in notes 2.4 and 4 of the financial statements) and the Company listed on Euronext Amsterdam in April 2022, we are in a strong position to deliver on our stated objectives and to create shareholder value.

In 2023 we look forward to the results of BEN-2293 within atopic dermatitis and the upcoming Phase I study of BEN-8744 in ulcerative colitis while also continuing to drive progress across our broader development pipeline. We will also continue to invest and drive innovation across our Product & Technology stack in a targeted manner to retain our differentiated position. Against a macroeconomic backdrop of rising inflation and increasing financial pressures, we have reviewed and refined our spend profile to keep to our stated cash runway target of Q4 2024 whilst still delivering on the predefined objectives as at our interim results.

Revenues

At BenevolentAI, we aim to monetise our platform through commercial collaborations and through developing our pipeline of wholly-owned assets with the aim of out-licensing, co-developing/co-commercialising or, potentially, eventually, commercialising in house.

The Group's revenues increased by £6.0 million to £10.6 million (2021: £4.6 million), primarily reflecting increased revenues from the AstraZeneca collaboration and the majority of this increase reflecting a second AI-enabled drug discovery collaboration that started in January 2022, combined with revenue from a one-year extension to the initial collaboration that began in late 2021. We also recognised three milestone payments in 2022 as AstraZeneca selected three additional novel targets in chronic kidney disease (one target) and idiopathic pulmonary fibrosis (two targets).

Alternative performance measures and normalised presentation

The normalised presentation of the Group performance can be found in note 2.4 of the financial statements.

Research and development (R&D) expenses

The Group's investment in R&D is vital to its long-term growth strategy. Our spend can be split across two verticals: 1) Product & Technology, which helps scientists understand complex biology, predict targets and help design and develop drugs for disease and 2) Drug Discovery, where our team of scientists then use our technology stack to pick novel targets for disease before developing drugs for these targets. The output of this symbiotic relationship is in the form of collaborations, such as with AstraZeneca and our pipeline of now 15 named programmes. The normalised presentation of the Group performance can be found in note 2.4 of the financial statements on page 85.

Normalised product and technology spend, excluding share-based payments, for 2022 increased to £21.9 million (2021: £20.0 million) due to increased staff-related costs to support the continued expansion of the Benevolent Platform™. Reported product and technology spend in 2022 decreased to £24.3 million from £25.1 million in 2021 reflecting lower share-based payment expenses.

Normalised drug discovery spend, excluding share-based payments, for 2022 increased to £43.2 million (2021: £27.1 million). Reported drug discovery spend for 2022 increased to £47.6 million (2021: £31.8 million). The normalised increase was driven by advancing the BenevolentAI pipeline into later stages of development, particularly BEN-2293 and its progression through an adaptive Phase I/II clinical study, alongside BEN-8744 CTA filing enablement in December 2022. We also added a net 4 named programmes into our pipeline during the year.

General and administrative costs

With the business listing in 2022, we have made targeted investments in our operational structures to support our status as a listed business, particularly across finance, compliance, legal and risk activities. The Group continues to make material investments in building and protecting its IP portfolio (consisting of patents, trade secrets, copyright and trademarks). Finally, post-year end, we have also increased investment in our business development capabilities as our pipeline matures and reaches key value inflection points. Normalised business operations spend, excluding employee-related share-based payments, for 2022 has increased to £16.5 million (2021: £13.9 million). Reported business operations spend, excluding employee-related share-based payments, for 2022 has increased to £115.0 million from £27.6 million in 2021. The normalised increase reflects those additional costs related to listing readiness and operating as a public company highlighted above. These costs are expected to stay at these levels given the enhanced level of compliance and reporting obligations and previously discussed investments.

Share-based payments (SBPs)

Normalised SBP spend for 2022 has decreased to £23.7 million (2021: £51.4 million). Reported SBP spend for 2022 has decreased to £27.6 million (2021: £51.4 million). The normalised change is predominantly driven by the recognition of vested options under the legacy BEIS share incentive scheme for 2022 of £22.4 million (2021: £51.4 million). This includes a £6.5 million credit in relation to employer-related taxes in 2022 (2021: £12.4 million charge on initial recognition). In 2022, the Group initiated a new LTIP for which a £1.3 million charge has been recognised and which is expected to incur an ongoing SBP charge, inclusive of employer-related taxes, of between £6.2 million and £9.0 million based upon the share price as at the end of December.

The fair value charging methodology for the legacy BEIS plan has been re-assessed to reflect a now-known "point of exit" and a graded vesting profile. This correction has resulted in an additional £21.2 million SBP charge and restatement to 2021 profit and loss, with a corresponding credit to the share-based payment reserve and employer-related tax provision on 31 December 2021.

Operating loss

Normalised operating loss for 2022 decreased to £94.6 million (2021: £107.7 million). The reported operating loss for 2022 increased to £197.0 million (2021: £121.3 million) primarily due to the costs arising from the business combination, which are not expected to continue in 2023. The normalised presentation of the Group operating loss can be found in note 2.4 of the financial statements.

Finance income

Finance income for 2022 has increased to £19.3 million (2021: £56,000). This is predominantly driven by the fair value revaluation of the warrant liabilities acquired through the Transaction, reflecting an increase in their value as of 31 December 2022 compared to the Transaction date.

Taxation

Taxation income for 2022 has increased to £15.9 million (2021: £14.1 million). This is predominantly composed of tax credits arising from the UK's small and medium-sized enterprises' R&D tax relief regime, for which there has been an increase in the claim between the two periods, driven by an increase in eligible R&D expenditure.

Loss per share

Normalised basic loss per share has decreased to 72.6 pence for 2022 (2021: 104.6 pence), with the weighted average number of shares in both periods adjusted to reflect the exchange ratio of the share for share exchange completed during the Transaction, such as to reflect the capital structure of the legal parent. The increase reflects the decrease in normalised total loss.

Current assets

Current assets as of 31 December 2022 have increased to £152.1 million (31 December 2021: £56.6 million), largely driven by an £89.6 million increase in cash, cash equivalents and short-term deposits.

Cash, cash equivalents and short-term deposits

The cash position, including short-term deposits, as of 31 December 2022 has materially strengthened to £130.2 million (31 December 2021: £40.6 million). The PIPE drives this increase, backstop proceeds, Odyssey Acquisition acquired cash, with gross proceeds of £186.8 million (€225 million) and AstraZeneca collaboration proceeds, offset by the settlement of Transaction expenses and ordinary course working capital expenditure.

Warrants

Warrants as of 31 December 2022 have decreased to £0.4 million post-transaction close (31 December 2021: £nil), part of the net assets acquired through the Transaction and revalued at the end of the reporting period.

Other current liabilities

Other current liabilities as of 31 December 2022 have increased to £25.3 million (31 December 2021: £23.0 million), reflecting an increase in trade payables for R&D-related expenses as part of the Group's core activities and an increase in deferred income under the AstraZeneca agreements.

Normalised cash flow

Cash expended from operating activities before taxation and Transaction-related items have increased to £77.8 million for 2022 (2021: £60.1 million), primarily driven by normalised operating losses of £94.6 million.

Dividend

No dividend has been proposed for the year ended 31 December 2022 (2021: nil).

Accounting policies

The Group's consolidated financial information has been prepared in accordance with international accounting standards, as applicable to the EU, in conformity with the requirements of Luxembourg law. The accounting policies used in the consolidated financial information are consistent with those in the audited financial statements.

Going concern

After making enquiries and/or producing cash flow forecasts, the Directors have reasonable expectations, as at the date of approving the financial statements, that the Group will have adequate resources to fund activities for at least twelve months from the date of the approval of the financial statements. Although the business continued to make losses throughout the year to 31 December 2022, the Company and Group have sufficient funds, contracted revenue and expected R&D tax receipts to support a cash runway to Q4 2024. This is further discussed in the financial statements.

Outlook

Subject to the top-line results of our BEN-2293 asset in an adaptive Phase I/II clinical study (expected in Q1 2023), we aim to out-license this asset in the second half of 2023. In addition, we also aim to sign an additional commercial collaboration in 2023. We anticipate that this additional capital will extend our cash runway beyond the guided Q4 2024 runway, which excludes revenues from unsigned out-licensing or collaboration agreements. In 2023, prioritisation of clinical programme spend will support our asset BEN-8744, which will enter a Phase I study in the first half of 2023. We will also invest in BEN-28010 with the aim of filing a CTA in H2 2023 for GBM, advance assets within our broader pipeline and bring new named drug programmes into the pipeline. The Company will continue to invest in the Benevolent Platform™ to increase the understanding of underlying disease biology, power the development of our in-house pipeline, and support collaborations.

Principal risks facing the business

BenevolentAI operates an embedded risk management framework, which is monitored and reviewed by the Board. There are a number of potential risks and uncertainties that could have a material impact on the Group's financial performance and position. These include risks relating to the development of our drug portfolio and ability to out-license, the commercialisation of our technologies through collaboration, the biotech funding environment, the political environment, competitive threat, supply chain disruption, legal and regulatory, IT systems and infrastructure, cyber and data security, foreign exchange, people, COVID-19, strategic acquisitions, and the environment and climate change. These risks and the Group's mitigating actions are set out within pages 42 to 45 of this report.

Nicholas Keher
Chief Financial Officer
20 March 2023

An evolving risk management framework

The Group's risk management framework provides the structure by which the principal risks are managed. The Board believes this risk management framework provides enough structure to ensure the risk assessment process is able to manage the current risks identified and has the appropriate procedures in place to identify emerging risks.

Principal risks and uncertainties

The Board is accountable for identifying procedures to minimise risk impact and implementing these at every level of the business, in an ongoing process delegated to and overseen by the Audit, Finance and Risk Committee. The Executive Leadership Team manages the day-to-day implementation of the risk management framework.

BenevolentAI monitors and manages the risks and uncertainties of the Group and the particular risks associated with its current business activities and corporate profile. The principal risks below are those that have been identified to date as being both significant and specific to the Group. The principal risks are those which could have an impact on the Group's long-term performance and include mitigating factors adopted to alleviate these risks. This list does not purport to be an exhaustive summary of the risks affecting the Group.

During the year, the Group engaged with PwC to conduct a governance, risk, and internal control framework GAP analysis. This was in recognition of the nature and size of the Group's operations, which have expanded in recent years, and its newly listed status. The objective of this analysis was to identify best practice and develop recommendations to drive consistency and quality in the governance processes and internal controls across the Group. Implementation of the recommendations is ongoing and will continue to be an area of focus in 2023.

Risk management framework

Monitoring

Executive Leadership Team

- Manages the day-to-day implementation of the risk management framework

Audit, Finance and Risk Committee

- Oversees the Group's risk management and internal controls
- Reviews and monitors the Group's principal risks
- Monitors and has oversight of external audit

Board

- Ensures comprehensive risk management and internal controls are in place and operating effectively

Implementation

Principal Risks

1 Platform & technology

Risk description	Mitigations
There is a risk that one or more existing commercial or academic collaborations are terminated, or additional collaborations are not forthcoming.	The Company aims to mitigate this risk through having a close relationship with its partners via steering group meetings. We also aim to sign collaborations with leading biotech and pharmaceutical companies to diversify our commercial revenue streams and further validate our platform technology. We have validated our capability in the Target ID space with AstraZeneca taking five novel targets into their portfolio and across two indications, leading to an extension of that collaboration.
We are dependent on the Benevolent Platform™ to identify the right drug target for the right disease, but we may fail to discover and design molecules with therapeutic potential or that may not result in the discovery and development of commercially viable products for us or our collaborators.	The Company continues to invest in the Benevolent Platform™ and our people to drive innovation. Furthermore through diversification of our drug discovery deployments across our chosen target indications we can mitigate this risk further. We believe our approach of an enhanced understanding of disease that the Benevolent Platform™ provides enables scientists to discover new drug targets with a higher probability of clinical success.
The Benevolent Platform™ relies on key data suppliers for its Knowledge Graph.	We mitigate this risk through utilising a multimodal approach with over 85 different data sources and over 100 data providers. We sign multi-year agreements where appropriate and also continue to grow our own proprietary data.

2 Product pipeline, drug development and discovery

Risk description	Mitigations
All of our drug candidates are in early-stage pre-clinical development or clinical development and are not yet commercially approved. Technical, pre-clinical, clinical or regulatory milestones may not be achieved, leading to delays, changes or the abandonment of development programmes. Additional regulatory requirements may also be required before approval, similar to other biotech companies and those working in AI drug discovery.	The Company accepts this risk but believes our data foundations approach will lead to a higher probability of clinical success for assets developed utilising the Benevolent Platform™. To further mitigate this risk, we consult with the regulator early in the development process to understand any concerns identified and look to remedy these ahead of time. We then aim to have a broad mix of pipeline assets across multiple stages of development and with varying risk profiles for both the compound (best-in-class and first-in-class) and the target (undrugged and drugged). Finally, we will also mitigate this risk by partnering with other larger, more experienced, pharmaceutical companies on product development where appropriate.

Risks continued

Principal Risks continued

2 Product pipeline, drug development and discovery (continued)

Risk description	Mitigations
We are dependent on third parties such as CROs to deliver on our pre-clinical and clinical development timelines.	The Company works with leading international blue chip CROs in the development of its products to minimise this risk. We are also investing further into our clinical capability within our target indications where we only intend to continue in-house development of our pipeline assets.
Others may discover, develop or commercialise products before we do.	To mitigate this risk the Company conducts a thorough assessment (commercial, scientific, horizon scanning, etc.) of the chosen indications it is seeking to develop pharmaceutical products. The Company then aims to develop pharmaceutical assets for drug targets where there is no current therapeutic available for that target or for that target in the chosen indication. We aim to garner composition of matter for all of our products that are developed alongside other forms of IP protection (use patents, etc.).

3 Operational

Risk description	Mitigations
The Company's ability to deliver on its strategic objectives could be adversely impacted by failure to recruit, develop and retain the right people.	The Company's recruitment processes are tailored to identify and attract the best candidates for specific roles, whilst offering appropriate remuneration packages to help recruit and retain key employees. In addition, all permanent employees are given the opportunity to become shareholders of the Company. The Company provides significant opportunities for learning, development and leadership training, demonstrated by its Future Leaders Programme to assist career development and improve competency. To support our people strategy we welcomed a Chief People Officer onto the Executive Leadership Team during the year.
Security of information, both for our internal information technology systems and those of our third parties.	The Company mitigates against this risk through a mix of in-house and outsourced support to maximise protection. The Company has also invested in the protection of its data and IT systems from the threat of cyber-attack and insured against this risk. Cybersecurity procedures exist to minimise this risk.
Intellectual Property (IP) protection and the potential for breach of confidential information, misuse of trade secrets, or other loss of valuable IP both in relation to our drug products and the Benevolent Platform™.	We actively manage our IP, engaging with specialists to apply for and defend IP rights. We file appropriate patents applications for all of our own internal drug pipeline assets (composition of matter, use and formulation patents, etc.) as well as those that protect the Benevolent Platform™. We aim to file composition-of-matter patents for all of our products, where applicable, that are developed, alongside other forms of IP protection (use patents, formulation patents, trade secrets, etc.).

4 Economic and financial

Risk description	Mitigations
We may be unable to generate additional revenue through out-licensing pipeline assets or signing new collaborations. If macroeconomic conditions worsen we may also be unable to raise sufficient capital as needed. Both these risks may lead to delays or pausing of pipeline programmes and further investment in the Benevolent Platform™.	We raised gross proceeds of £186.8 million (€225 million) in April 2022 through the Business Combination and placing of share capital, to scale the Group's business model. We also extended our collaboration with AstraZeneca, leading to incremental revenues and the potential for future milestones and revenues through the development of pharmaceutical products utilising targets selected by the Benevolent Platform™. We aim to add further commercial collaboration agreements to our existing relationship with AstraZeneca to broaden our current and future revenue streams.
Changes to R&D tax credits may reduce the availability of tax credits on R&D expenditure. This could reduce R&D tax refunds on eligible expenditure and adversely affect cash flow and cash runway.	Recent planned changes to the UK R&D tax credit scheme are likely to lead to a reduction in received tax credits in 2025 and beyond and have been incorporated into our financial guidance. The Company also works with industry bodies and trade associations such as the BIA to mitigate any potential risk and help guide policy decisions.
We may not be able to out licence certain drug pipeline assets in line with our stated strategy.	To mitigate this risk the Company engages with potential licensing partners early in the asset's development cycle to understand the partners' needs from a product profile and clinical data perspective.

5 Other

Risk description	Mitigations
The Company is exposed to adverse local political decisions, changes in laws and regulations and/or economic events impacting the pharmaceutical, technology and AI industries, e.g. Brexit, potential changes to pricing of pharmaceutical products, new AI regulation or adverse new laws impacting the pharmaceutical or life sciences industries.	The Group regularly monitors developments in key geographies and maintains strong relationships with regulatory bodies and trade associations to enable the Group to respond rapidly to local changes in circumstances or events.

Climate Risk impact

The Group's ESG approach is discussed in the Sustainability section of the Strategic report. The Board has considered the impact of Climate change in relation to the carrying value of assets and any financial exposures which could result in additional liabilities. The Board does not perceive an elevated level of risk arising from climate change and therefore any impact on the financial performance or position of the Group for the year ended 31 December 2022.

Other risk considerations

The Groups Risk Management and exposures are discussed further in note 30 of the consolidated financial statements, including market, credit, liquidity and foreign exchange risk.

Ukraine

Management notes the ongoing war in the Ukraine, and the sanctions being imposed on Russia by many countries as a result. Given the Group's limited direct activities in the region, management's view and experience to date is that these developments and sanctions are not and are unlikely to have a significant direct adverse impact on the financial results or operations of the Group. Management continues to monitor the developments closely and to take all necessary actions.

The macroeconomic environment and pandemic tail end

As the Group navigates past the tail end of the pandemic, supply chains are opening up reducing supply lead times and increasing access to scientific and corporate consumables and supplies with few challenges experienced in sourcing them on a timely basis. Like all business, we are experiencing the after effect of the pandemic and the war in the Ukraine through high inflation, which Management has factored into our budget and long range plans, including downside scenarios, to ensure we can deliver on our mission and operate within our means. Post-pandemic, we continue to focus on our staff to ensure strong engagement and continued high productivity. We are reviewing and monitoring optimal ways of working and have recently surveyed staff to ensure that their new working preferences are well understood. We will use this information to further refine the right balance for our workforce to allow for maximum collaboration in our offices and the flexibility and productivity of working from home.

Board of Directors

Combines deep expertise across AI, pharma, drug discovery and development.

Dr. François Nader M.D.
Chair

Appointment to the Board
April 2022, previously Chair of BenevolentAI Ltd, appointed July 2021.

Experience and expertise
Dr. Nader was CEO of NPS Pharma. During his tenure, he transformed NPS Pharma into a leading global biotechnology company focused on delivering innovative therapies to patients with rare diseases. He won the Ernst and Young National Life Science Entrepreneur of the Year® award in 2013 and was awarded the Ellis Island Medal of Honor® in 2017.

Before NPS, François was a venture partner at Care Capital, LLC. Prior, he served on the North America Leadership Team of Aventis Pharma and its predecessor companies holding several executive positions including Senior Vice-President, US integrated healthcare markets and North America medical and regulatory affairs. Previously, he led the global commercial operations at the Pasteur Vaccines division of Rhone-Poulenc.

François is past chair of BioNJ, Acceleron Pharma and Prevail Therapeutics. He served on the board of BIO, Baxalta NPS Pharma, Alexion, Clementia Pharmaceuticals, Advanced Accelerator Applications and Noven.

François earned his French doctorate in medicine from St. Joseph University in Lebanon and a physician executive MBA from the University of Tennessee.

Current external appointments
François currently serves as chair of Talaris Therapeutics and Neurvati Neurosciences. He serves as board director of Moderna and RING Therapeutics and as senior adviser to Blackstone Life Sciences.

Joanna Shields (Baroness)
Chief Executive Officer

Appointment to the Board
April 2022, previously CEO of BenevolentAI Ltd, appointed May 2018.

Experience and expertise
Joanna Shields (Baroness Shields) has over three decades of experience building and leading technology companies, including as senior executive at Google, Facebook and Aol. Prior to joining BenevolentAI, she served in the UK Government as Under Secretary of State and Minister for Internet Safety & Security, the Prime Minister's Digital Economy Adviser, Ambassador for Digital Industries and Chair and CEO of TechCityUK. She also served as a non-executive director at the London Stock Exchange Group.

Joanna holds a Bachelor of Science from Pennsylvania State University and an MBA and Doctorate Honoris Causa from The George Washington University. In 2014, she was appointed OBE for services to digital industries and voluntary service to young people and made a Life Peer of the House of Lords.

Current external appointments
Joanna sits as the co-chair of the Steering Committee and chair of the Multi- stakeholder Experts Group Plenary on the Global Partnership on Artificial Intelligence (GPAI) and is also a Commissioner on the Oxford Commission on AI & Good Governance (OxCAIGG) of the University of Oxford. She is the founder and a board member of the WeProtect Global Alliance, a global multi-stakeholder organisation dedicated to combating online child sexual abuse and exploitation.

Dr. Olivier Brandicourt
Non-Executive Director

Appointment to the Board
April 2022.

Experience and expertise
Dr. Olivier Brandicourt is an accomplished senior leader in the global pharmaceutical industry being recognised for his strategic and operational skills built on 20 years of general management and ten years of medical/ marketing functional experience. Olivier retired from Sanofi S.A. in September 2019 after being its CEO since April 2015. Prior to joining Sanofi, he was the CEO of Bayer HealthCare AG. From 2000 to 2013, he held a series of leadership positions at Pfizer of which President and General Manager of Global specialty Care (2008-2009), Global Primary Care (2009-2012) before becoming President and General Manager of the Emerging Markets and Established Products business units. Olivier was part of the Pfizer Executive team from 2010 to 2013.

Olivier studied medicine in Paris where he specialised in Infectious Diseases and Tropical Medicine and holds a master's in biology and an Advanced Degree in Cellular and Immunological Pathophysiology. He is an Honorary Fellow of the Royal College of Physicians in London.

Current external appointments
Olivier is currently a Senior Adviser at Blackstone Life Sciences, and serves as a board director of Alnylam Pharmaceuticals, Dewpoint Therapeutics, and AvenCell (Chair).

Jean Raby
Senior Independent Non-Executive Director

Appointment to the Board
April 2022.

Experience and expertise
Mr. Jean Raby is a Partner at Astorg, a Pan-European private equity firm, which he joined in May 2022. Immediately prior to joining Astorg, he was the Co-CEO of Odyssey Acquisition and a Sponsor Principal; Odyssey Acquisition was a special purpose acquisition company listed in Amsterdam in July 2021 that merged with BenevolentAI in April 2022. Jean is the former CEO of Natixis Investment Managers and a former member of the Senior Management Committee of Natixis.

Jean started his career as a corporate lawyer with Sullivan & Cromwell in New York (1989-1992) and in Paris (1992-1996). He then spent 16 years in various roles with increasing responsibilities within the investment banking division of Goldman Sachs in Paris, where in 2004 he became a Partner and CEO of the division for France, Belgium and Luxembourg. In 2006, Jean became co-head of Goldman Sachs's Paris office before becoming Co-CEO of Goldman Sachs in Russia in 2011. From 2013 to 2016, he was Executive Vice-President and Chief Financial and Legal Officer of Alcatel-Lucent. In 2016 and before joining Natixis in 2017, he was appointed CFO of SFR.

Jean holds a Bachelor of Laws degree (LLB) from Université Laval, an M.Phil. in International Relations from Cambridge University and a Master of Laws degree (LLM) from Harvard Law School.

Current external appointments
Jean is a member of the board of directors of AerCap Holdings NV and Fiera Capital.

Key to committee membership

- (A) Audit, Finance and Risk Committee
- (D) Research and Development Committee
- (N) Nomination and Governance Committee
- (R) Remuneration Committee
- ● Chair of Committee
- (I) Independent Directors

Dr. Susan Liautaud
Non-Executive Director

Appointment to the Board
June 2022.

Experience and expertise
Dr. Susan Liautaud is founder and managing director of Susan Liautaud & Associates Limited, an ethics advisory firm supporting global organisations and leaders in business, government and the non-profit sector. She is also founder of The Ethics Incubator, a non-profit platform for broadening debate about ethics issues.

Susan holds a PhD in Social Policy from the LSE; a Juris Doctor from Columbia University Law School; a M.A. in Chinese Studies from University of London School of Oriental and African Studies; a M.A. and two B.A.s from Stanford University. She is a lecturer on cutting-edge ethics at Stanford University having started her career as a corporate lawyer at Sullivan & Cromwell.

Current external appointments
Susan serves as Chair of Council (board of trustees) and Chair of Governance Committee for the London School of Economics and Political Science (LSE). She also serves on a number of global non-profit boards.

Prof Sir Nigel Shadbolt
Non-Executive Director

Appointment to the Board
April 2022, previously on the Board of Directors of BenevolentAI Ltd since July 2020.

Experience and expertise
Professor Sir Nigel Shadbolt (FRS FREng FBCS) holds an undergraduate degree in Philosophy and Psychology from the University of Newcastle and a post graduate degree in Artificial Intelligence from Edinburgh University.

Nigel is a leading researcher in artificial intelligence and was one of the originators of the interdisciplinary field of web science.

In 2009, along with Sir Tim Berners-Lee, he was appointed as Information Adviser to the UK Government. In 2010, he joined the UK Government's Public Sector Transparency Board overseeing the continued release of Government open data. Nigel continues to advise the Government in a number of roles.

Nigel was knighted in 2013 for services to science and engineering.

Current external appointments
Nigel is co-founder and Chair of the Open Data Institute and Principal of Jesus College and Professorial Research Fellow in Computer Science at the University of Oxford. He is a Fellow the Royal Academy of Engineering and the British Computer Society.

Dr. John Orloff
Non-Executive Director and Workforce Non-Executive Director

Appointment to the Board
April 2022, previously on the Board of Directors of BenevolentAI Ltd since September 2021.

Experience and expertise
Dr. John Orloff was Executive Vice President and Global Head of Research & Development at Alexion where his leadership in expanding the development pipeline from three to 30 programs supported the recent $39 billion acquisition of Alexion by AstraZeneca. Prior to Alexion, John was Global Head of R&D and Chief Scientific Officer at Baxalta, and has also held executive leadership roles with Novelion, Baxter International, Merck Serono, Novartis and Merck Research Laboratories.

Before entering the biopharmaceutical industry, John was a faculty member at the Yale University School of Medicine. He holds an undergraduate degree in chemistry from Dartmouth College and earned his medical degree from the University of Vermont, College of Medicine and completed a fellowship in endocrinology and metabolism at Yale University School of Medicine.

Current external appointments
John is a venture partner at Agent Capital and is a non-executive director of Zenas BioPharma.

Dr. Jackie Hunter
Non-Executive Director

Appointment to the Board
April 2022, previously on the Board of Directors of BenevolentAI Ltd since March 2016.

Experience and expertise
Dr. Ann Jacqueline (Jackie) Hunter has had an extensive career in the pharmaceutical industry including senior vice president of Neurology and Gastrointestinal Centre of Excellence for GlaxoSmithKline. She was Chief Executive of Clinical & Strategic Partnerships and CEO of BenevolentAI Bio Limited until June 2020.

Jackie holds a Bachelor of Science and PhD in Psychology from Royal Holloway College, University of London and was appointed CBE in 2010 for services to the pharmaceutical industry.

Current external appointments
Jackie serves on the board of A*Star Singapore, Brainomix Ltd, Stevenage Bioscience Catalyst, and the Sainsbury Laboratories Norwich. She is the CEO at OI Pharma Partners Ltd. She is a Fellow of the Royal Society of Biology, The Zoological Society of London, the British Pharmacology Society and the Academy of Medical Sciences.

Executive Leadership Team

Joanna Shields (Baroness)
Chief Executive Officer

Appointed to the role
April 2022, previously CEO of BenevolentAI Ltd, appointed May 2018.

Experience and expertise
Joanna Shields, (Baroness Shields) has over three decades of experience building and leading technology companies, including as senior executive at Google, Facebook and Aol. Prior to joining BenevolentAI, she served in the UK Government as Under Secretary of State and Minister for Internet Safety & Security, the Prime Minister's Digital Economy Adviser, Ambassador for Digital Industries and Chair and CEO of TechCityUK. She also served as a non-executive director at the London Stock Exchange Group.

Joanna holds a Bachelor of Science from Pennsylvania State University and an MBA and Doctorate Honoris Causa from The George Washington University. In 2014, she was appointed OBE for services to digital industries and voluntary service to young people and made a Life Peer of the House of Lords.

Dr. Ivan Griffin
Co-Founder & Chief Operating Officer

Appointed to role
April 2022, having previously been COO and held other roles at BenevolentAI Ltd since February 2014.

Skills and experience
Dr. Ivan Griffin has nearly 20 years of experience working with early-stage life science and technology companies. He was a Co-Founder of Benevolent having previously worked as a venture capitalist at IP Group Plc from 2005 to 2009 and at Nesta Investments from 2009 to 2014.

In 2013, Ivan helped launch Genomics England Ltd, a nationwide DNA sequencing programme linking genomic data with NHS records of patients with rare disease and cancer.

Ivan holds a D.Phil. in Cognitive Neuroscience from the University of Oxford where he also completed a year's post doctoral research.

Nicholas (Nick) Keher
Chief Financial Officer

Appointed to role
April 2022, previously in this role at BenevolentAI Ltd since March 2022.

Skills and experience
Nick started his career as a pharmacist before moving to GSK where he completed his CIMA accountancy qualification working within R&D, Pharma and Global Manufacturing and Supply strategy.

He has 15 years of experience in the pharma and biotech industry. Prior to joining BenevolentAI, Nick was CFO of Clinigen, a UK AIM-listed global pharmaceutical and pharma services company with over £450 million of revenue that was acquired by Triton PE for £1.3 billion.

Nick previously spent eight years as a top-rated analyst covering the healthcare sector, initially at the investment bank Investec and then Royal Bank of Canada, where he was Managing Director and Head of the Healthcare Equity Research desk for Europe, building their healthcare equity research platform.

Dr. Anne Phelan
Chief Scientific Officer

Appointed to role
April 2022, previously in this role at BenevolentAI Ltd since September 2019.

Skills and experience
Dr. Phelan has over 25 years of experience in pharma and biotech and has worked on drug development, from early discovery to late-stage and across a wide range of therapeutic areas including fibrosis, pain, arthritis and rheumatology, and neurodegeneration. Before joining BenevolentAI, Anne worked for Pfizer where she was Head of Pharmacology and Chief Operating Officer for Pfizer, UK, and where she was responsible for the generation of primary and secondary data to support the portfolio. Prior to that she was EVP Head of Research at the biotech Mission Therapeutics.

Anne holds a Bachelor of Science and PhD in Genetics from the University of Liverpool.

Dr. Daniel Neil
Chief Technology Officer

Appointed to role
April 2022, previously in this role at BenevolentAI Ltd since January 2022, having joined in 2017.

Skills and experience
Dr. Daniel Neil (Danny) has worked at the intersection of technology and biology for over 15 years. After a foundation in biomedical computation at Stanford, he worked as a technology consultant with Accenture in Silicon Valley before obtaining a Ph.D. in Switzerland at ETH Zurich in machine learning and neuroscience. He is the author of more than 40 publications and patents in research areas spanning biologically-motivated machine learning, algorithm development, and neuroscience, with over 3,000 scientific articles citing his work.

Will Scrimshaw
General Counsel and Company Secretary

Appointed to role
April 2022, previously in this role at BenevolentAI Ltd since March 2019.

Skills and experience
Will has 20 years' legal experience having held senior legal and policy positions at Microsoft, Skype and BT, where he played a key role in enabling growth through innovative approaches to law and regulation. Will studied Law at the University of Bristol, and then trained and qualified as a solicitor in the Intellectual Property & Technology practice of the London office of Norton Rose Fulbright.

Anna Fullerton-Batten
Chief People Officer

Appointed to role
September 2022.

Skills and experience
Anna has led global Talent teams for more than 20 years, specialising in Talent, Performance, Leadership and delivering complex change programs. Prior to joining BenevolentAI, Anna worked as Chief People Officer at the digital health company, Kry Livi. Anna previously worked as SVP Talent at Refinitiv and as Senior Director of Talent at Johnson & Johnson, Microsoft and Amazon. Anna is a trained executive coach and regular speaker at global conferences on the future of work, culture, female leadership and diversity.

Introduction to corporate governance

The Board believes in the importance of good corporate governance and is aware of its overall responsibility for achieving this and for supervising the general affairs and business of the Company and its subsidiaries.

2022 has been a year of transition from private to public company, as BenevolentAI Limited (a UK private company prior to the Business Combination) merged with Odyssey Acquisition S.A. (a Luxembourg SPAC). The resultant Company is now a Luxembourg company that is traded on Euronext Amsterdam. Consequently, the Company is not required to adhere to either the Ten Principles of Corporate Governance adopted by the Luxembourg Stock Exchange (which is only applicable to Luxembourg law-governed companies that are traded on the Luxembourg Stock Exchange) or to the Dutch Corporate Governance Code (applicable to companies incorporated in the Netherlands and listed on a regulated market). However, in preparation for completion of the Business Combination the Company conducted a detailed analysis of a series of possible options for adhering to a formal and robust governance framework that was most appropriate to the size and stage of the Company.

From the point of completion of the Business Combination, and on an ongoing basis, the corporate governance rules of the Company have been based on applicable Luxembourg laws, the Company's Articles of Association, and its internal regulations – in particular the Board Rules. Additionally, and as stated in our Listing Prospectus in April 2022, it was the Company's intention following the above referenced review, and on a voluntary basis within approximately twelve months of listing, to apply and comply with the Quoted Companies Alliance (QCA) Corporate Governance Code (QCA Code). The Company has now formally adopted the QCA Code and more detail can be found under the "Corporate Governance Framework" heading on page 51 of the Annual Report.

Role of the Board

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of its business, strategy, business model and development. The Board is focused on ensuring the long-term sustainable success of the Company and the continuous creation of value for its shareholders and stakeholders.

Matters reserved for the Board

The Board has a schedule of matters specifically reserved for its approval covering key areas such as strategy and management, any major projects and capital expenditure, capital structural changes, Board membership and appointments, key financial matters, acquisitions and disposals, major contracts, oversight of corporate governance, corporate social responsibility and risk management, and remuneration. These matters are delegated to the Board Committees, the Executive Director, the Executive Leadership Team and senior management, where appropriate. The schedule of matters reserved for the Board and Terms of Reference for each of its Committees can be found on the website, www.benevolent.com.

Key activities for the Board since April included:

Strategy and risk management	• Preparing the Company as a listed company. Completion of GAP analysis by external third party (PwC) to understand areas to strengthen across the Company in this regard • Post-Business Combination, the completion, development and approval of the Company's long-term strategy • Appointment of new external auditor • ESG strategy setting for 2023
Board	• Three new Non-Executive Directors appointed since the completion of the Business Combination – Dr. Olivier Brandicourt, Jean Raby and Dr. Susan Liautaud • Co-founders Kenneth Mulvany and Michael Brennan stepped down on 30 June and 30 September respectively • Post-year end, appointment of a Workforce NED and Senior Independent Director
Financial performance	• Approval of 2022 budget • Approval of the 2022 interim financial statements • Approval of the 2023 budget • Delivery of the 2022 budget in line with expectations and net cash at the top end of guidance
Corporate governance	• Evaluation of potentially applicable/ appropriate corporate governance codes and commitment to, and compliance with, the QCA Code • Implementation of four new Board Committees

Corporate Governance Framework

BenevolentAI considers that the QCA Code is currently the most suitable framework for our business and stage of development; consequently, it has now formally adopted the QCA Code. The Board understands that the application of the QCA Code supports the Company's short to medium-term success whilst simultaneously managing risks and provides an underlying framework of commitment and transparent communications with stakeholders.

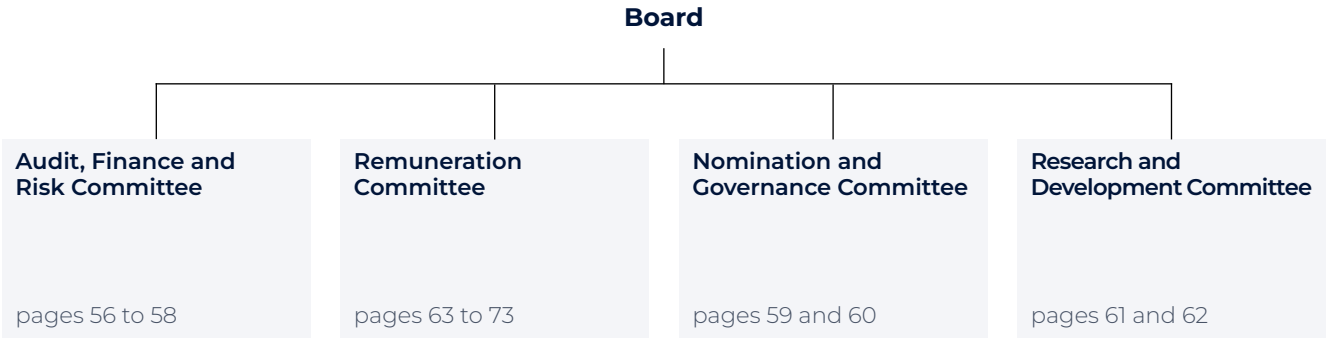
In addition, going forward in future years the Company will additionally seek to align its practices, where appropriate, with the recommendations of the UK Corporate Governance Code 2018, subject to any necessary modifications considering the Company's business and stage of development. The Company continues to work to determine what adjustments to its existing practices are needed to reach this goal in the medium to longer term and has already started a programme of implementation.

Board composition

The Board comprises eight Directors: an independent Non-Executive Chair, one full time Executive Director and six Non-Executive Directors (five being independent, with Dr. Jackie Hunter being non-independent as a former executive of the Company within the last three years). Post-year end, the Board appointed Jean Raby to an additional new role as Senior Independent Non-Executive Director and Dr John Orloff as Workforce Non-Executive Director.

The composition of the Board is monitored by the Nomination and Governance Committee, whose work on this topic in 2022 is detailed in the Committee Chair's report on pages 59 and 60. The Board is satisfied that its members and the members of the Executive Leadership Team have a blend of skills, experience, knowledge and independence suited to the Company's needs and continuing development, while noting that the Board was only formed in April of this year. Biographies are set out on pages 46 and 47.

The Company has the following Board Committees:



Roles and responsibilities of the Board

The Chair of the Board leads and guides the rest of the Board of Directors and acts as a direct liaison between the Board and management, typically via the CEO. The CEO is responsible for the running of the Company. In 2023, and appointed post-period in March, the Senior Independent Director will be responsible for acting as a sounding board for the Chair, and an intermediary for other Non-Executive Directors, to help appraise the Chair's performance and from time to time to act as an alternative point of contact with investors and other stakeholders. The Non-Executive Directors represent independent and diverse perspectives and perform duties of strategic planning and oversight.

Attendance at meetings

The Board meets regularly on a quarterly basis, with additional meetings in-between as required. Details of Committee meetings are set out in each Committee report. Since April the full Board met six times, in April, June, July, September, November and December, and as listed below:

Director	Meeting attendance from April to 31 December 2022
Dr. François Nader (Chair)	6/6
Prof Sir Nigel Shadbolt	6/6
Dr. John Orloff	6/6
Dr. Jackie Hunter	6/6
Joanna Shields	6/6
Dr. Olivier Brandicourt	6/6
Jean Raby	6/6
Dr. Susan Liautaud	4/4 (appointed to Board 30 June)
Kenneth Mulvany	2/2 (resigned on 30 June)
Michael Brennan	4/4 (resigned on 30 September)

The Board has a wide range of skills and experience and takes its responsibilities and legal obligation to promote the interests of the Company very seriously. To enable the effective discharge of its duties, the Board is provided with briefing papers in advance of every meeting. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable laws and regulations are complied with.

Corporate culture and business conduct

Our culture is underpinned by a clear set of values, which help guide decision making at all levels in the business. The Board expects the business to foster relationships and operate high standards of business conduct. The Board reviews and approves the Company's policies which have been implemented and communicated internally and externally to those who are expected to adhere to them. For example, this includes policies on diversity and inclusion, the prevention of bribery and corruption, fair competition and anti-slavery and human trafficking. Further information about our policies can be found on our website.

Risk management and internal controls

The Board has overall responsibility for the Company's internal control systems and for monitoring their effectiveness. The Company undertook a comprehensive review of corporate risks in the run-up to the completion of the Business Combination in April 2022. As part of a continual review process, in early 2023 the Company intends to supplement this work with a refreshed risk management framework that identifies and addresses all relevant risks in order to execute and deliver the Company strategy. The Audit, Finance and Risk Committee oversees this process. See also "Risk Management" on page 42.

Engagement with stakeholders

Details of how the Company engaged with its stakeholders can be found on pages 24 and 25.

Shareholders

The Company maintains regular contact with major shareholders and is committed to communicating openly with all shareholders via regulatory and media announcements, presentations to shareholders, Group investor meetings and analyst outreach. The Company regularly meets with existing and prospective investors. Any direct feedback received from shareholders is carefully examined and actioned as appropriate.

Employees

The Board receives regular updates on People matters and employee engagement at its quarterly meetings. This includes briefings on organisational structure and other positive initiatives to support health and wellbeing and engagement. From time to time, employees are invited to attend various Board and Committee meetings to present on key operational and strategic matters.

Annual General Meeting (AGM)

The Company's Annual General meeting (AGM) is scheduled to take place at 2pm CET on 4 May 2023 and will be held at the offices of Elivinger Hoss & Prussen, the Company's Luxembourg corporate counsel.

Major shareholdings

The Company had been notified of the following shareholders with 5% or more of the issued share capital of the Company pursuant to the requirements of the Luxembourg Transparency Law, the Grand-ducal Regulation of 11 January 2008 on transparency requirements for issuers (as amended), the Dutch Financial Supervision Act and MAR:

- Kenneth Mulvany: 23.43%;
- Temasek Holdings: 12.68%;
- Odyssey Sponsor: 8.22%;
- LF Equity Income Fund: 6.30%; and
- ABG-WTT Global Life Science Capital Partners GP Limited 5.42%.

Shareholder structure

Shareholder structure as at 31 December 2022

		Number of shares
A shares – Public shares	Undiluted shares	117,488,722
	Granted share options (vested and unvested):	20,888,543
B shares – Sponsor shares		2,500,000
Public Warrants	Warrants (Class A)	10,000,000
Sponsor Warrants	Warrants (Class B)	6,600,000
Treasury shares		25,137,581

The Company has issued two classes of shares: A shares and B shares. Each share is entitled to one vote.

A shares – Public shares

The A shares are held by private and institutional investors and listed on the Euronext Amsterdam. All A shares rank pari passu with each other. Each A share carries one vote at a general shareholders' meeting.

B shares – Sponsor shares

The B shares are not listed on any exchange.

All B shares rank pari passu with each other. Each B share entitles its holder to the right to attend and to cast one vote at a general shareholders' meeting.

The B shares are subject to certain transfer restrictions (as described in more detail in the Restrictions section (below) and fully in the Articles of Association of the Company).

The B shares will automatically convert into A shares if the closing price of the A shares for any ten (10) trading days within a thirty (30) trading day period exceeds thirteen euros (€13.00). The B shares will convert on a one-to-one basis into A shares.

The Company has issued two types of warrants: Public and Sponsor.

Public Warrants – Warrants (Class A)

The Company has issued 10,000,000 Public Warrants. The Public Warrants are traded on the Amsterdam Stock Exchange.

Public Warrants allow holders to subscribe for A shares. The Public Warrants are exercisable at any time. The Public Warrants will expire on the first business day after the fifth anniversary of completion of the Business Combination (22 April 2022), or earlier upon redemption of the Public Warrants. A holder of Public Warrants may exercise its Public Warrants only for a whole number of A shares. Each whole Public Warrant entitles the registered holder to purchase one A share at an exercise price of €11.50 per A share, subject to the adjustments described in the Prospectus.

Public Warrant Redemption

The Company can also redeem the Public Warrants, with this feature not being applicable to Sponsor Warrants, under certain circumstances, for example if the price of A shares exceeds €18.00 or, with the consent of the Sponsor, if the price of A shares exceeds €10.00 but is less than €18.00. Details of redemption of Public Warrants by the Company are described fully in the Articles of Association of the Company.

Sponsor Warrants – Warrants (Class B)

6,600,000 Class B warrants held by the sponsor and the Anchor Investors that will be exercisable for A shares in accordance with the Promote Schedule, where following the completion of the Business Combination, the closing price of the A shares for any ten (10) trading days within a thirty (30) trading day period exceeds thirteen euros (€13.00). Each whole Sponsor Warrant entitles the registered holder to purchase one A share at an exercise price of €11.50 per A share, subject to the adjustments described in the Prospectus. The Sponsor Warrants do not have the redemption feature of the Public Warrants.

Restriction on Sponsor shares and Sponsor Warrants

The Sponsor and Sponsor principals prior to completion of the Business Combination, committed not to transfer, assign, pledge or sell any of the B shares other than under certain limited circumstances for a period of three hundred and sixty-five (365) days after the closing date of the Business Combination or earlier:

(i) after one hundred and fifty (150) days post-completion of the Business Combination, the share price of the A shares equals or exceeds twelve euros (€12.00) for any twenty (20) trading days within any thirty (30) consecutive trading day period; and

(ii) if after the completion of the Business Combination, the Company consummates a subsequent liquidation, merger, share exchange or other similar transaction which results in all of the Company's shareholders having the right to exchange their A shares for cash, securities or other property.

Amendment of Articles

Rules governing the amendment of articles of association are set out in article 13.35 of the Articles of Association of the Company.

Issue and buy-back of shares

Rules governing the issue or buy back shares of the Company are set out in articles 6.6 and 7 of the Articles of Association of the Company.

Share redemption immediately before the Transaction Close

As detailed in note 4 of the Group financial statements, prior to closing, as consistent with the original public share offering by Odyssey, a total of 25.1 million ordinary shares with an agreed redemption price of €9.96 per share were redeemed for cash by eligible ordinary shareholders, following the redemption process. These are currently held as treasury shares. The redemption payable of €250.3 million (£207.8 million) was paid by Odyssey prior to Transaction close.

Internal control procedures

The Board of Directors has the overall responsibility for ensuring that the Company maintains a sound collection of internal controls, including financial, operational and compliance controls. Consistent with the evolving journey of the Group, the formalisation of these controls is an area of focus for the Executive Leadership Team in 2023, through the implementation of an internal control framework.

Such controls, formal and informal, are an integral part of the corporate governance strategy of the Group. Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the Company can be achieved. The internal control procedures are intended to achieve the following objectives:

- compliance of actions and decisions with applicable laws, regulations and Group policy;
- a drive for efficiency and effectiveness of operations and the optimal use of the Company's resources;
- correct implementation of the Company's internal processes, notably those to ensure the safeguard of assets;
- integrity and reliability of financial and operational information, both for internal and external use;
- ensuring that management's instructions and directions are properly executed; and
- ensuring that material risks are properly identified, assessed, mitigated and reported.

As with all control, internal controls cannot only look to mitigate, rather than eliminate risk.

Internal control activities

Accounting, consolidation and reporting

In the area of accounting, consolidation and reporting, the following internal control activities are in place:

- team members involved in the Group's accounting, consolidation and reporting processes are appropriately qualified, trained and are kept up to date with relevant changes in International Financial Reporting Standards (IFRS);
- additional external expertise and support is combined with the Group's team experience to navigate the additional reporting obligations of Luxembourg standalone company reporting and the Dutch listing obligations, where knowledge is being built in the team;
- appropriate accounting and financial reporting policies and procedures are in place, regularly reviewed and updated;
- controls, consistent with the nature and scale of the business, have been established in the processing of accounting transactions to ensure appropriate authorisation, an effective segregation of duties, and the complete and accurate recording of financial information;
- this control framework will look to be enhanced through the implementation of additional workflow-based controls and validations during 2023, with a view to reinforcing control, process standardisation and efficiency;
- adequate procedures and controls are in place, such as monthly reviews and data validation procedures, to ensure the correct and timely recognition of revenues, expenses and other accounting entries;
- the completeness and timely recording of financial information is ensured through regular reviews, planned close activities and timetable reporting cycles, with clear responsibility and accountability through the workflows;
- the Group runs a rolling three year budgeting cycle, combined with strategic plans, to allow visibility to expected outcomes, to providing additional assurance over reported position and performance, which is reviewed via the Audit, Finance and Risk Committee and ultimately approved by the Board;
- governance oversight is provided via the Audit, Finance and Risk Committee, with detailed substantive testing on risk areas by our external auditor on an annual basis, with limited procedures undertaken on the interim report.;
- the Board receives monthly financial reports setting out the Group's financial performance in comparison to the approved budget;

- in accordance with IFRS requirements, BAI discloses detailed information on the market, credit and foreign exchange risks to which it is exposed, as well as its strategy for managing those risks;
- interim and full-year consolidated accounts of the Group are drawn up and brought to the Board, via the Audit, Finance and Risk Committee, for approval;
- the Board also approves all significant investments, consistent with matters reserved for the Board; and
- any material weaknesses in the system of internal controls identified either internally or by the external auditor are promptly and fully addressed.

Treasury Management

In the area of Treasury management, the following should be noted:

- Treasury activities take place within a framework approved by the Board, via the Audit, Finance and Risk Committee under its Terms of Reference. This framework reflects the Group's Treasury Policy which is regularly reviewed and updated;
- a clear segregation of duties, and assignment of bank mandates, between members of the Finance Team responsible for undertaking the Treasury processes are in operation, with the Executive Leadership Team's approval necessary for larger Treasury related activities;
- the Group does not routinely use sophisticated hedging instruments to manage Foreign Exchange (FX) exposure, with natural hedging, reflective of the expected utility of funds in relevant currencies being backed by actual cash holdings, minimising FX volatility experienced by the Group. The exception was at the close of the Transaction, in using a forward instrument, settled and closed shortly after, to manage currency risk for funds received in Euros and immediately converted to GBP, reflecting the Group's routine operating currency;
- similarly, the duration of monies held on deposit or in notice accounts is also matched to the expected use of funds, to optimise returns for the Group balanced against the need to ensure liquidity of funds on a timely basis; and
- Treasury activities are reported and monitored with the monthly CFO Report, covering institutional risk, FX coverage and maturity profiles.

Tax Management

Regarding the internal controls in tax management, the following should be noted:

- the tax arrangements of the Group are driven by its operational requirements and the geographical location of its business activities;
- the Finance team works closely with the business to provide clear, timely and relevant advice, as well as to mitigate tax risks;
- the most material area of Tax focus for the Group is related to R & D Tax Credit claims under the UK Small Company Regime, which are submitted annually to His Majesty's Revenue and Customs (HMRC) and subject to detail technical preparation by the Finance Team and oversight review by the Group's Tax Adviser;
- tax positions are recorded in the Group's financial statements, following detailed analysis from the Finance team and support from the Group's Tax Adviser to complete applicable Tax disclosure and Corporate Tax Computations; and
- transfer pricing documentation is updated as required, approved and underpins all significant cross-border intercompany transactions through benchmarked rates, as advised through independent guidance from the Group's Tax Adviser.

Audit, Finance and Risk Committee report

Key highlights

- Audit, Finance and Risk Committee establishment covering Terms of Reference and Workplan, delegation of authority refresh, Treasury Policy formalisation
- Appointment of new auditors
- Inaugural delivery of timely and accurate financial reporting
- Post-listing review by PwC and closure of identified gaps, including a risk and treasury roadmap and adding certain key skills to our teams

Members of the Committee

Jean Raby	Committee Chair
Dr. François Nader	Committee member
Dr. Olivier Brandicourt	Committee member

Meeting attendance

Director	Meetings*
Dr. François Nader	●●●●
Jean Raby	●●●●
Dr. Olivier Brandicourt	●●●●

* Attendance from April to 31 December 2022.

Dear shareholders

As Chair of the Audit, Finance and Risk Committee, I am pleased to present you with the Committee's report for the year ended 31 December 2022. This report details the work of the Committee since its formation in April 2022 when the Business Combination completed.

The purpose and function of the Audit, Finance and Risk Committee

The role of the Audit, Finance and Risk Committee is to monitor and review the integrity of financial information and to provide assurance to the Board that the Company's internal controls and risk management processes are appropriate and regularly reviewed. The Committee's role in the Company's governance framework is to provide independent challenge and oversight of the accounting, financial reporting, internal control and risk management processes. In meeting these responsibilities, the Committee continues to consider the provisions of the QCA Code to the extent applicable to the Committee and the FRC Guidance on Audit Committees.

We also oversee the work of the external auditor, approve its remuneration and recommend its appointment. As the Group continues to develop, the Committee plays a key role in the governance around audit and risk. This report sets out areas of significance and particular focus for the Committee.

Composition and attendance

The Audit, Finance and Risk Committee has been chaired by me since its inception with Dr. Olivier Brandicourt, and Dr. François Nader appointed as Committee members. The Board considers that all members of the Committee are independent and have competencies relevant to the sector in which the Company operates. As Chair of the Committee, I personally have over 30 years' financial, risk, legal and commercial experience across investment banking, as both CFO and CEO in listed companies and as a corporate lawyer to help guide the Committee. As such, the Committee, consistent with the Group's adoption beyond the QCA Code in adopting certain UK Code requirements, meets the expectation for the Committee to include at least one member with recent and relevant financial experience.

The biographies of all Committee members are detailed on page 46. Meetings are attended by the members of the Committee and others who attend by invitation, being principally the CEO, CFO, Group Finance Director (SVP Finance), General Counsel and Company Secretary. Other members of executive and senior management may be invited to attend to provide insight or expertise in relation to specific matters. The PwC Engagement Leader and other representatives of the external auditor are also invited to attend Committee meetings to present their reports on the interim results and full-year audit. They also present their proposed audit plan to the Committee.

The Committee met four times formally in 2022 – twice in June, once in September and once in December. In addition, as Committee Chair, I also meet with the External Audit Engagement Partner outside of Committee meetings to discuss, significant transactions, reporting topics and other matters which are relevant to the external audit.

> As the Group continues to develop, the Committee plays a key role in the governance around audit and risk.

Audit, Finance and Risk Committee responsibilities and principal activities for 2022:

The Committee formally reviewed and adopted new Terms of Reference during the period which can be found on the Company's website. These new Terms of Reference have been adopted to help the Committee assist the Board in its oversight of the Group's financial budgeting, planning and reporting, internal control and risk management and in doing so seek to ensure that shareholders' interests are protected, and the Company's long-term strategy is supported. This report summarises our key activities since the Business Combination completed in April 2022.

Internal controls and risk management

- As part of the closing activities, PwC, prior to appointment as auditor, was engaged to review for any gaps in our operating, compliance, reporting and risk management activities. The subsequent report was then discussed with the Committee and workstreams were initiated to close the gaps and bring their related activities into the ordinary workstreams supporting the business.
- During the year the Committee undertook a number of set-up activities related to: Treasury Policy and management formalisation, spend authorisation updates (Delegation of Authority review) including "Matters Reserved for the Board" and a review of the Disclosure Committee and Disclosure Policy.

External audit

- Given both BenevolentAI and Odyssey SPAC had different audit firms prior to the Business Combination a formal tender process was carried out post-close to decide upon the appointment of an appropriate audit firm to fit the enlarged Group. This process included proposals from multiple top-tier audit firms with PwC chosen by the Audit Finance and Risk Committee to be auditor for the Group for the 2022 period.
- Subsequent to the appointment of PwC as Auditors, the audit plan, including significant areas of audit focus due to complexity or judgement, was presented and approved by the Committee on 9 December.

Financial reporting

- An important role of the Committee is in overseeing the Group's financial reporting activities and in reviewing significant accounting judgements and estimates. These judgements are principally focused in determining revenue recognition, goodwill and intangible impairments reviews, Share-based payment charges, investment balances (including BenevolentAI standalone), the going concern assumption and valuations related to financial liabilities (Warrants). As described in the financial statements (pages 79 to 111) the Committee have found the significant accounting judgements and estimates to be appropriate.
- The Committee provided review and oversight of the interim results, published on 27 September 2022, including the analyst and investor presentation materials and broader IR engagement strategy.
- Alongside the Auditor presented 2022 audit plan, the Company's internal Annual Report production plan was also presented and approved by the Committee on 9 December. The Committee reviewed the content of the Annual Report and Accounts post-period end with the final report approved by delegated authority.

Financial planning

- Given the experience within the Committee, the initial Post-Close Budget (PCB) review and challenge was established as a responsibility of the Committee, for onward recommendation to the Board.
- For both the PCB and 2023 Budget, the Committee reviewed the Company's overall objectives and associated budget, with appropriate challenge on cost, strategy, benchmarking with peers and maturity of the Group. The review also focused on financial risk, especially around solvency, liquidity and going concern, before recommendation by the Committee to the Board for its approval.

Directors' and officers' liability insurance

The Company has, maintained insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

Independence, effectiveness and objectivity of the audit process

Independence and objectivity

Both the Board and the external independent auditor (PwC) have safeguards in place to protect the independence and objectivity of the external auditor. These were reviewed by the Committee during the year and remain appropriate. In accordance with International Standards on Auditing (UK and Luxembourg), PwC formally confirmed to the Board its independence as auditors of the Company. Non-audit services require approval by the Committee.

Effectiveness

The Committee reviewed the work of PwC during the year and concluded that it provides an effective audit and has constructive relationships with the relevant parties and that the External Audit Engagement Partner provided clear and strong leadership to the audit team. This assessment was based upon:

- the Committee's own assessment of the quality of the audit plan, the rigour of the audit findings and conclusions, the extent to which the External Audit Engagement Partner understands the business and constructively challenges management and the quality and clarity of the technical and governance review provided;
- feedback from the Group's Finance Leadership Team (FLT) and those involved in the audit was sought on the quality of the external audit process and team covering the following aspects:
  - audit planning and strategy adopted;
  - audit execution and conclusion;
  - timeliness and quality of communication and audit reporting;
  - efficiency of the audit process and procedures adopted; and
  - provision of insights and understanding of the Group;
- a report prepared by PwC setting out its processes to ensure independence and its confirmation of compliance; and
- the level of non-audit fees as a percentage of the audit fees paid to the external auditor.

The feedback from management was reported to the Committee at the meeting on 9 December 2022, and further refreshed at the meeting on the 13 March 2023, during the concluding stages of the audit. Based on the review set out above, the Committee is satisfied with the external auditor's independence, effectiveness and objectivity.

Reappointment of external auditor

At the forthcoming Annual General Meeting (AGM) on 4 May 2023, a resolution to renew the mandate of PwC as the independent external auditor in relation to the Company financial statements and the consolidated financial statements for the financial year 2023 will be proposed.

Non-audit assignments

The independence of the external auditor is an essential part of the audit framework and the assurance that it provides. In line with the Revised Ethical Standard issued by the FRC in December 2019 and Luxembourg requirements for all non-audit assignments to be approved when undertaken by the auditor, the Committee has adopted a policy, which sets out a framework and approval process for determining whether it is appropriate to engage the Group's auditor for non-audit services and pre-approving non-audit fees.

The overall objective is to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity. This includes, but is not limited to, assessing any threats to independence and objectivity resulting from the provision of such services; any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the auditor's independence and objectivity; the nature of the non-audit services; and whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service.

A summary of audit and non-audit fees in relation to the year is provided in note 7 to the Group's consolidated financial statements. Subsequent to the Gap Analysis undertaken by PwC post-close and prior to appointment as Auditors, no non-audit services have been provided by the audit firm other than a portal subscription for Technical Accounting reference materials pre-approved by the Committee.

Conclusions

The Committee has had a productive year providing oversight of financial reporting, external audit and the further development of the control and risk environments post-completion of the Business Combination. This will continue as the Group grows and develops in line with its strategy, and we will ensure that finance and risk management capability is enhanced to manage an increasingly large business.

Jean Raby
Audit, Finance and Risk Committee Chair
20 March 2023

Nomination and Governance Committee report

Key highlights

- Establishing the Nomination and Governance Committee, its Terms of Reference, and workplan for the year ahead
- Strengthening the Board with the appointment of Dr. Susan Liautaud as Non-Executive Director in June 2022, as member of the Remuneration Committee in July 2022 and member of the Nomination and Governance Committee in January 2023
- Conducting the Board's first evaluation questionnaire in Q4 2022

Members of the Committee

Dr. François Nader	Committee Chair
Dr. Olivier Brandicourt	Committee member
Prof Sir Nigel Shadbolt	Committee member

Meeting attendance

Director	Meetings*
Dr. François Nader (Chair)	●●●●
Dr. Olivier Brandicourt	●●●●
Prof Sir Nigel Shadbolt	●●●●

* Attendance from April to 31 December 2022.

Dear shareholders

On behalf of the Board, I am pleased to present our Nomination and Governance Committee report for the year ended 31 December 2022. This report details the activities of the Committee since its formation in April 2022 following completion of the Business Combination.

The Nomination and Governance Committee will, among other things, review the composition of the Board and recommend candidates for appointment to the Board and the Board Committees, including formulating succession plans and assisting with the evaluation of Board performance. Its remit also includes an oversight of governance-related matters, including the Board's governance framework and ESG-related activity.

Nomination and Governance Committee membership and activities

The Nomination and Governance Committee comprises Dr. François Nader (Chair), Dr. Olivier Brandicourt, Prof Sir Nigel Shadbolt and Dr. Susan Liautaud (since January 2023) and it will typically meet at least four times a year.

The Committee's key activities include:

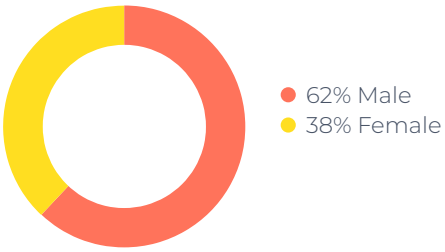
- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes;
- giving full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- identifying and nominating for the approval of the Board or the general meeting of shareholders, as applicable, candidates to fill Board vacancies as and when they arise;
- before appointment is made by the Board or the general meeting of shareholders, as applicable, evaluating the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- reviewing the results of any Board performance evaluation process that relate to the composition of the Board;
- reviewing annually the time required from Non-Executive Directors and assessing whether they are spending enough time to fulfil their duties;
- reviewing the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace;

> All candidates for Board positions are evaluated based on individual merit while recognising the benefits of Board diversity, as set out more fully in the Board Diversity Policy.

Nomination and Governance Committee membership and activities continued

- providing oversight of the Board's governance framework, including monitoring the Company's compliance with applicable laws and regulations;
- considering the Company's overall corporate governance framework;
- reviewing the Company's environmental, social and governance (ESG) work;
- reviewing Company delegation of authority, Director conflicts and independence; and
- making recommendations to the Board concerning:
  - plans for succession for both Executive and Non-Executive Directors and in particular for the key roles of the Chair and the CEO;
  - the membership of Board Committees, in consultation with the Chairs of those Committees;
  - the reappointment of any Non-Executive Director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required; and
  - any governance-related matters within the Committee's remit as set out above.

Board gender diversity as at 31 December 2022



The main activities since April 2022 were as follows:

In the period April 2022 to the end of December 2022, the Committee met four times – in May, June, September and December.

This year the Committee focused on agreeing its Terms of Reference, an annual work plan and Director succession planning (see changes listed immediately below).

Board and Committee changes

In May it was announced that Kenneth Mulvany and Michael Brennan, two of the Company's co-founders, would step down from their positions as Non-Executive Directors with effect from 30 June and 30 September respectively. At the same time, it was also announced that on 30 June 2022 Dr. Susan Liautaud would join the Board as a new Non-Executive Director.

In December, the Committee approved several changes to its structure to include oversight of governance and ESG-related matters and changed its name to the Nomination and Governance Committee to reflect this expanded focus. Dr. Susan Liautaud, who was asked by the Board in September to lead Board oversight of ESG, agreed to join the Committee with effect from 25 January 2023.

Post-year end, the Board appointed Jean Raby to an additional new role as Senior Independent NED and Dr. John Orloff as Workforce NED. These two new appointments further strengthen the Board's composition and focus as it continues to build out its governance framework over 2023.

All candidates for Board positions are evaluated based on individual merit while recognising the benefits of Board diversity, as set out more fully in the in the newly adopted Board Diversity Policy.

Board evaluation

The Committee circulated the Board's first evaluation questionnaire in Q4 2022 to all Directors, seeking input and views on the high-level operation of the Board and its Committee structure. The committee has collated and reviewed the feedback from this exercise and has put in place a series of action points for 2023.

A process of individual Director reviews (including the Chair and CEO) will be initiated early in 2023 by the Committee at the direction of the CPO. As the current Board composition was only put in place in April 2022, the Committee is mindful of, but has not yet formally considered, the need for external performance evaluation. The Committee will revisit this as part of its future programme of work.

New policies

The committee has overseen the implementation of a Board Diversity Policy, a Matters Reserved to the Board document, and revisions to the Rules of the Board.

Dr. François Nader
Nomination and Governance Committee Chair
20 March 2023

Research and Development Committee report

Key highlights

- Establishing the Research and Development Committee, its Terms of Reference and workplan for the year ahead
- Conducting a deep dive into two key areas of the business (in relation to the Company's BEN-8744 asset and its AI strategy) to review and support progress
- Conducting a full drug discovery and development pipeline review

Members of the Committee

Prof Sir Nigel Shadbolt	Committee Chair
Dr. John Orloff	Committee member
Dr. Jackie Hunter	Committee member

Meeting attendance

Director	Meetings*
Prof Sir Nigel Shadbolt	●●●
Dr. John Orloff	●●●
Dr. Jackie Hunter	●●●

* Attendance from September to 31 December 2022.

Dear shareholder

On behalf of the Board, I am pleased to present our Research and Development Committee report for the year ended 31 December 2022.

The Research and Development Committee was formed in September 2022 in order to bring broad strategic perspective and expertise to support the development and delivery of the Company's strategic priorities, work and investments in science, technology and engineering.

Research and Development Committee membership and activities

The Research and Development Committee comprises Prof Sir Nigel Shadbolt (Chair), Dr Jackie Hunter and Dr John Orloff.

The Research and Development Committee intends to meet at least quarterly during the course of the year but may also meet on an ad-hoc basis as topics dictate from time-to-time.

As set out in its Terms of Reference, the Committee's key activities include:

- supporting excellent and sustainable Company R&D that supports its science, technology and engineering community to achieve the following goals:
  - exploit the latest developments in AI and the life sciences to deliver a compelling drug discovery pipeline;
  - build and maintain a world-class AI drug discovery software capability;
  - establish a world-class life sciences drug discovery capability; and
  - deliver beneficial economic and social impacts through its R&D;
- performing reviews of underlying scientific assumptions and proposed plans, including a strategic assessment (in conjunction with the Chief Scientific Officer) for each drug development programme;
- overseeing the technology strategy of the Company (in conjunction with the Chief Technology Officer and including in relation to AI specifically) and reviewing the organisation, resourcing and capabilities for R&D;
- providing the Board with scientific and technical assurance;
- providing risk oversight of R&D at the Company, including oversight of any specific enterprise risks that the Board determines are most relevant to the Committee's area of expertise, and reviewing any other significant risks including, without limitation, in relation to data integrity, future data investments, inbound data licensing, third party R&D risks, future capability building and portfolio risk;

Research and Development Committee membership and activities continued

- providing critical review of any new technology projects and identifying and/or reviewing opportunities for Company R&D partnership and investment;
- overseeing the commissioning, effectiveness and performance of the Company's R&D capabilities;
- reviewing and discussing the Company's position and strategy towards emerging scientific and industry trends critical to the Company's success; and
- providing support and feeding into the full Board's analysis and decisions on priority areas for strategic R&D investment.

The main activities were as follows:

Since formation, the Committee met once in September and twice in December.

The Committee's work so far has focused predominantly on establishing its scope via its Terms of Reference and discussing its core areas of focus. In other subsequent meetings the Committee reviewed the Company's BEN-8744 ulcerative colitis asset and its AI strategy. It has also conducted a review of the Company's in-house drug discovery and development pipeline.

Prof Sir Nigel Shadbolt
Research and Development Committee Chair
20 March 2023

Remuneration Committee report

Key highlights

- Designed and implemented new Company-wide Long Term Incentive Plan (LTIP)
- Established new Directors' Remuneration Policy
- Established Committee Terms of Reference

Members of the Committee

Dr. John Orloff	Committee Chair
Dr. Jackie Hunter	Committee member
Dr. Susan Liautaud*	Committee member
Jean Raby	Committee member

Meeting attendance

Director	Meetings**
Dr. John Orloff	●●●●●
Dr. Jackie Hunter	●●●●●
Dr. Susan Liautaud*	●●●
Jean Raby	●●●●●

* Member since June 2022.

** Attendance from April to 31 December 2022.

Dear shareholders

On behalf of the Board, I am pleased to present the Remuneration Committee report for the year ended 31 December 2022. This report details the activities of the Remuneration Committee since its formation in April 2022 following completion of the Business Combination.

The role of the Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration policy operated by the Company in respect of the Executive Director and Non-Executive Directors and other management of the Company. The framework of duties is set out in its Terms of Reference which are available on the Company's website. These were finalised at the time of the Business Combination, together with an agreed annual work plan for the Committee to guide its future work focus and direction.

Composition and attendance

The Remuneration Committee is chaired by myself with Dr. Jackie Hunter, Jean Raby and Dr. Susan Liautaud (since July 2022) appointed as the Committee members. The Committee meets at least four times a year and since completion of the Business Combination it has met five times – in May, June, July, September and December.

The biographies of all Committee members are detailed on pages 46 and 47. Meetings are attended by the members of the Committee and others who attend by invitation, being principally the CEO, CFO, CPO, and General Counsel and Company Secretary. Other members of executive and senior management may be invited to attend to provide insight or expertise in relation to specific matters.

Remuneration Committee principal activities in 2022:

- implemented new Remuneration Committee Terms of Reference and an annual work plan;
- approved the Remuneration report;
- designed a new Company-wide Long Term Incentive Plan (LTIP) which included setting incentive performance measures, strategic objectives and targets for incentive awards as part of performance stock unit (PSU) awards, alongside restricted stock units (RSU);
- reviewed and approved salary levels for the Executive Director and Executive Leadership Team (ELT);
- established a new Directors' remuneration policy for Directors and implemented this for 2022;
- granted incentive awards to the Executive Director and Executive Leadership Team (on which further detail is provided below);
- oversaw the Company's pay policies and practices for its wider workforce; and
- confirmed 2022 Company performance ratings and finalised 2023 objectives.

Performance highlights

As mentioned in the statements from the Chair and the Chief Executive Officer, our progress in 2022 has solidified our leadership in the sector as we continued to advance our in-house pipeline and enhance our world-leading AI drug discovery platform. 2022 was a year of progress and growth and one where we successfully completed a Business Combination with Odyssey Acquisition S.A. and listed on Euronext Amsterdam, strengthening our financial position.

Alongside the listing, we continued to deliver progress across the business, demonstrating the value, and validating, the Benevolent Platform™. We extended our collaboration agreement with AstraZeneca, leading to a significant cash investment at the time of the Business Combination and we delivered three novel targets in the year across two therapeutic indications and an important revenue driver for the Company. This year we received further validation of our AI-enabled research as baricitinib was fully approved by the FDA - the drug we identified as a treatment for COVID-19 in January 2020 and now a mainstay of treatment.

Across our own wholly-owned pipeline we saw our lead asset, BEN-2293, enter a Phase IIa clinical study and we expect results in Q1 2023. We met our objective to file a CTA for our next most advanced programme, BEN-8744 for ulcerative colitis and we aim to complete the Phase I clinical study by H1 2024.

In 2022, we drove continuous improvement to our technology platform, most notably by successfully releasing the next generation of the Knowledge Graph (KG 2.0) into production and significantly enhancing the predictive capabilities of our AI models.

The Company also made significant progress in the development of a strategic ESG plan, establishing an ESG Committee to coordinate ESG initiatives and reporting. Demonstrating our commitment to using our platform for broader societal benefit, we signed one new non-commercial partnership with the Drugs for Neglected Diseases initiative (DNDi) in 2022.

Remuneration Committee priorities for 2023:

- prepare and publish the 2023 Remuneration report;
- Company-wide pay landscape review;
- consider advice from independent remuneration consultants on CEO and ELT total compensation;
- Company, CEO and ELT 2023 performance ratings and incentive out-turn;
- review and approve 2023 LTIP performance measures and individual grants;
- shareholder consultation as required;
- Terms of Reference review;
- determine 2024 performance conditions and targets for bonus and LTIP; and
- review and approve gender pay gap report.

Remuneration for Executive and Non-Executive Directors

In 2022 the Remuneration Committee implemented a new remuneration policy for Directors as part of the Business Combination process and after taking advice from independent remuneration advisers. The aim of the policy is to set out the overall principles and structure for the remuneration of the Directors of the Company. More details can be found in the policy itself which is available on the Company website.

The key principles of the compensation framework include:

- Non-Executive and Executive Director compensation is to be benchmarked against companies of a similar size and complexity, taking into account practice at other companies in the biotech and technology sectors, based on the seniority and experience of the Director's role, in order to attract and compete for high-calibre talent with broad commercial, international or other relevant to enable the Company to deliver its strategy and create long-term value;
- Executive Director compensation is reviewed at appropriate intervals to ensure we are competitive in the marketplace and to ensure we attract and retain key talent;
- Executive Director compensation is made up of a mixture of the following:
  - base salary;
  - annual bonus;
  - long-term incentive awards granted under the Company's LTIP;
  - pension or cash pension allowance; and
  - benefits;
- ensure a significant proportion of the Executive Director compensation package is linked to performance-based reward and is therefore focused on rewarding short-term and long-term goals and that a significant proportion of reward is delivered in shares creating alignment with shareholder interests; and
- ensure that Executive Director compensation supports the execution of the Company's strategy and the creation of sustainable shareholder value through the use of appropriate incentive programmes, the selection of performance measures which support our objectives, the setting of performance targets which are stretching without encouraging executives to take excessive risk and aligning executives' interests with shareholders through the use of share-based compensation for the majority of reward.

Long-term equity incentive awards granted under the LTIP

In 2022, the Company implemented a new LTIP. The purpose of the LTIP is to incentivise and reward Executive Directors, ELT and the wider workforce for the delivery of the Group's strategy and objectives over the long term and to align the interests of participants with those of the shareholders. It is the overarching aim of the Board that all employees are shareholders in the Company, to both incentivise every employee to achieve our long-term strategic goals, and to help retain talent, but also so that they can share in the upside of the value they create.

Under the LTIP, awards have been made in the following forms:

- a restricted share unit (RSU) – an RSU is an award of shares which vest, subject to continued employment, over a fixed period. It is intended that any RSU awards will normally vest over a three-year period, but the Remuneration Committee retains discretion to apply a shorter, longer or phased vesting period and to require a post-vesting holding period. Vesting of RSU awards will not normally be subject to the achievement of performance conditions; and

- a performance share unit (PSU) – a PSU is an award of shares which vest subject to the achievement of performance conditions and continued employment over a fixed period. It is intended that any PSU award will normally vest over a three-year period, but the Remuneration Committee retains discretion to apply a shorter, longer or phased vesting period and to require a post-vesting holding period. It is intended that the vesting of any PSU would be subject to the achievement of performance conditions linked to the Company share price, and financial or strategic targets.

Where performance conditions apply to awards, at vesting the Remuneration Committee will consider performance against targets set and will determine the vesting outcome taking into account performance against targets, as well as the underlying performance of the business, the individual's personal performance and the stakeholder experience during the period.

Customary leaver provisions dealing with the treatment of awards made under the LTIP on termination of employment will be included in individual award agreements. In certain circumstances awards may be retained on termination of employment and the Committee retains discretion to exercise its judgement as to how awards should be treated on termination.

Consistent with best practice, malus and clawback provisions will be operated at the discretion of the Remuneration Committee in respect of LTIP awards. These provisions may be applied without limitation where the Remuneration Committee considers that there are exceptional circumstances. Such exceptional circumstances include serious reputational damage, negligence or gross misconduct by the participant, corporate failure, a failure of risk management, material financial misstatement, an error in available financial information or misleading data which led to the grant of an award or vesting of an award being greater than it would otherwise have been, or personal misconduct.

It is intended that the aggregate value of awards granted under the LTIP in respect of a financial year to an Executive Director will be up to 275% of base salary (although the Remuneration Committee retains discretion to exceed this limit if considered appropriate in the circumstances). Awards may be made in excess of this limit when hiring new Executive Directors to attract or to buy out existing compensation arrangements or for existing Executive Directors for retention purposes.

From time to time, other awards permitted under the terms of the LTIP may be granted and in such cases, approval from the Remuneration Committee will be sought.

In carrying out its duties, for all employees we continue to balance our remuneration policy and practices with our size and complexity as well as with the performance of the business. We promote the long-term growth of shareholder value, in line with the Group's strategy, and the need to ensure that our people remain motivated through fair remuneration strategies. The Committee believes that the Company's current remuneration policy encourages and rewards the right behaviours and that any risks created by its structure are within the appetite of the Board.

Shareholder views

The Committee considers the views expressed by shareholders during the year, including at the AGM, and encourages open dialogue with its largest shareholders. In addition, in determining the remuneration policy, the Committee takes into account guidance issued by shareholder representative bodies, such as the Institutional Shareholder Services (ISS) alongside advice from external benchmarking advisers.

Share ownership guideline

The Executive Director (CEO) and members of ELT are not currently expected to build and maintain a significant shareholding in the Company, but the Remuneration Committee will review this requirement in the coming year. It is expected that any vested share awards are retained for a minimum of two years (after the sale of any shares for the payment of tax). The Committee will monitor the level of Directors' shareholdings regularly and note that the Executive Director (CEO) and members of ELT already have a substantial ownership position.

Remuneration Committee report continued

	Purpose and link to strategy	Operation	Maximum opportunity	Performance metric
Base salary	To provide a core reward for undertaking the role, positioned at a level needed to recruit and retain the talent required to develop and deliver the business strategy.	The Remuneration Committee sets base salaries taking into account a range of factors including: • the individual's skills, performance and experience; • internal relativities and wider workforce salary levels; • external benchmark data and market practice in the biotech and technology sectors; • the size and responsibility of the role; • the complexity of the business and geographical scope; and • economic indicators.	There are no maximum levels set although increases will normally be in line with the typical level of increases awarded to other employees at BenevolentAI and will be a reflection of the individual's performance. The Remuneration Committee may award increases above this level in certain circumstances, including if there is an increase in the scope of roles and responsibilities. Base salaries are usually reviewed at least every two years.	N/A
Annual bonus	To support the delivery of the Group's annual business plan. The focus is on the delivery of annual drug discovery, product and technology, commercial and corporate objectives.	Performance targets are approved annually by the Remuneration Committee. The Remuneration Committee exercises its judgement to determine payout levels after the year end, based on performance against targets. This ensures that the outcome is fair in the context of overall Group performance and against personal goals.	The maximum award opportunity in respect of any financial year is based on role and is up to 100% of base salary for the Executive Director (CEO) and 50% for members of ELT. The annual bonus will normally be payable in cash in February, following the year end.	Performance is measured against a range of key objectives across drug discovery, product and technology, commercial and corporate as well as the underlying performance of the business, the individual's personal performance and the stakeholder experience during the period. Stretch targets are set for maximum payout. Performance is measured over twelve months.

	Purpose and link to strategy	Operation	Maximum opportunity	Performance metric
LTIP (PSU)	To reward participants for the delivery of the Group's goals of driving shareholder value through measures such as the Group's strategic objectives, TSR and ESG.	Award of shares subject to performance measured over a three-year period. Performance targets are set annually for each three-year cycle by the Remuneration Committee. Awards are subject to review by the Remuneration Committee at the end of the three-year performance period to confirm that vesting of the award is appropriate. Unvested awards can be reduced or withheld in certain circumstances. Vested awards are subject to a two-year holding period for Executive Director (CEO) and ELT members.	The maximum award opportunity is based on role. The maximum award possible under the plan rules is 200% of salary for Executive Director (CEO) and 150% for ELT members.	Vesting of the award is based on a combination of the following performance measures: • strategic objectives covering the pipeline, out-licensing activities, collaborations and ESG metrics; and • cumulative Group TSR compared to a predefined list of EU and US biotechnology peers. The split between measures, for each grant, is set annually by the Remuneration Committee. In 2022, 40% of the award was based on strategic objectives, 10% on ESG measures and 50% on TSR. In future years, the Committee may choose alternative measures and weightings aligned to the strategic priorities in place at the time.
LTIP (RSU)	To reward participants for the delivery of the Group's goals of driving shareholder value.	Award of shares subject to time served over a three-year period. Awards are subject to review by the Remuneration Committee at the end of the three-year performance period to confirm that vesting of the award is appropriate. Unvested awards can be reduced or withheld in certain circumstances. Vested awards are subject to a two-year holding period for Executive Director (CEO) and ELT members.	The maximum award opportunity is based on role. The maximum award possible under the plan rules is 25% of salary for Executive Director (CEO) and 8.33% for ELT members respectively. On hire grants may increase to 5x and 3x base salary for Executive Director (CEO) and ELT members. Non-Executive Directors are eligible for up to 3x base and Committee fee upon hire.	Vesting is subject to continued employment, over a fixed period. It is intended that any RSU awards will normally vest annually over a three-year period, but the Remuneration Committee retains discretion to apply a shorter, longer or phased vesting period and to require a post-vesting holding period. Vesting of RSU awards will not normally be subject to the achievement of performance conditions.
Pension	To provide a competitive, flexible retirement benefit in a way that does not create an unacceptable level of financial risk or cost to the Group.	Executive Director (CEO) and ELT members are auto-enrolled into a defined contribution pension plan and are offered the alternative of a cash allowance.	Employer contribution into the Group's defined contribution pension plan of up to 5% of salary for UK (or a cash payment in lieu), and 3% matching contribution to US 401k plan.	N/A

	Purpose and link to strategy	Operation	Maximum opportunity	Performance metric
Other benefits	To provide market competitive monetary and non-monetary benefits, in a cost-effective manner, to assist employees in carrying out their duties efficiently.	The Executive Director (CEO) and ELT members are provided with a package of core benefits, including private healthcare, health screening, death in service protection and reimbursement of membership fees of professional bodies.	There is no maximum value of the core benefit package as this is dependent on the cost to the Company and the individual's circumstances.	N/A

Payment for loss of office

In a departure event, the Committee will typically consider whether any element of bonus should be paid for the financial year. Generally, any bonus, if paid, will be limited to the period served during the financial year in which the departure occurs. The Committee will consider whether any of the share element of deferred bonus awarded or LTIP in prior years should be preserved either in full or in part and whether any deferred cash payments should be preserved either in full or in part.

The Committee has a discretionary approach to the treatment of leavers, on the basis that the facts and circumstances of each case are unique. The overriding approach to payments for loss of office is to act in the shareholders' interests. The default position is that an unvested share award, LTIP or cash entitlement lapses on cessation of employment. This provides the Committee with the maximum flexibility to review the facts and circumstances of each case, allowing differentiation between good and bad leavers, and avoiding payment for failure. When considering a departure event, there are a number of factors which the Committee takes into account. These include:

- the position under the relevant plan documentation;
- the individual circumstances of the departure;
- the performance of the Company/individual during the year to date; and
- the nature of the handover process.

If the Committee, at its discretion, permits an award to vest in a departure event, awards which would otherwise lapse by default may vest either on the normal vesting date or on cessation of employment, under the rules of the relevant plan. These circumstances may include death, injury, ill-health, disability, redundancy or sale of the Company or business.

Annual report on remuneration

The table below sets out the single figure of total remuneration for the Executive Director (CEO) and Non-Executive Directors for 2022.

		For the year ended 31 December 2022				
Name	Role	Annual Fees/ Salary[1] £	Bonus £	Benefits[9] £	Total LTIP awards[10] £	STFR 2022 £
Dr. François Nader	Non-Executive Director	**93,795**	—	—	—	**93,795**
Joanna Shields[2]*	Executive Director & CEO	**526,713**	**279,548**	**20,322**	**369,049***	**1,195,632**
Dr. John Orloff	Non-Executive Director	**73,795**	—	—	—	**73,795**
Dr. Jackie Hunter	Non-Executive Director	**73,795**	—	**13,814**	—	**87,609**
Dr. Susan Liautaud (from 30 June)[3]**	Non-Executive Director	**40,308**	—	—	**216,684****	**256,992**
Jean Raby (from 22 April)[4]	Non-Executive Director	**55,179**	—	—	—	**55,179**
Prof Sir Nigel Shadbolt[5]	Non-Executive Director	**73,795**	—	—	—	**73,795**
Dr. Olivier Brandicourt (from 22 April)[6]	Non-Executive Director	**55,179**	—	—	—	**55,179**
Kenneth Mulvany (until 30 June 2022)[7]	Non-Executive Director	**13,101**	—	**354**	—	**13,455**
Michael Brennan (until 30 Sept 2022)[8]	Non-Executive Director	**26,385**	—	—	—	**26,385**

Notes:

* The award is to be realised over a three year period. Value of award as at 31 December 2022 of £209,422.

** The award is to be realised over a three year period. Value of award as at 31 December 2022 of £122,961.

1. Fees/Salary representative of actual earnings for 2022.
2. Base salary increased post-close to £545,000 from £490,140.
3. Dr. Susan Liautaud: post-close earnings since started only post-close on 30 June. Full-year fee £80,000.
4. Jean Raby: post-close earnings since started only post-close, full-year fee £80,000.
5. Prof Sir Nigel Shadbolt: pre-close earnings and post-close earnings.
6. Dr. Olivier Brandicourt: post-close earnings since started only post-close, full-year fee £80,000.
7. Kenneth Mulvany: on payroll for January and February 2022, then added back as NED on £60,000 per annum from 22 April to 30 June 2022 before stepping down 30 June 2022.
8. Michael Brennan: from 22 April 2022 to 30 Sept 2022 - with full-year salary equivalent of £60,000 before stepping down 30 September 2022.
9. Benefits inclusive of private medical insurance, health cash plan, pension scheme employee contribution and pension cash allowance.
10. Note, whilst no LTIP and prior share awards were settled in the period, vesting occurred in-line with the detail in table on page 71.

Directors' interests and shareholdings

The Company supports the Executive Director (CEO) building and maintaining a shareholding in the Company to support the aligned interests with shareholders over the long term. The Remuneration Committee will consider the adoption of a formal shareholding guideline policy during the year. The interests of the Directors holding office at 31 December 2022 in the shares of the Company are set out below:

	Number of Shares Owned Outright	Number of unvested (at 31 December 2022) PSUs with Performance Conditions	Number of unvested (at 31 December 2022) RSUs/ share options without performance conditions[1]	Number of vested (at 31 December 2022) but unsettled/ unexercised RSUs/ share options[2]
Dr. François Nader	—	—	**672,476**	**1,195,512**
Joanna Shields	—	**179,872**	**1,003,418**	**4,913,813**
Dr. John Orloff	—	—	**66,294**	**49,185**
Dr. Jackie Hunter	**192,465**	—	—	**707,654**
Dr. Susan Liautaud	—	—	**39,604**	—
Jean Raby*	**651,745**	—	—	—
Prof Sir Nigel Shadbolt	—	—	**38,494**	**76,985**
Dr. Olivier Brandicourt**	**434,495**	—	—	—
Kenneth Mulvany (until 30 June 2022)	**33,912,333**	—	—	**38,493**
Michael Brennan (until 30 Sept 2022)	**4,619,160**	—	**6,672**	**51,720**

Notes:

* Jean Raby holds 325,873 Sponsor Shares and 971,890 Warrants.

** Dr. Olivier Brandicourt holds 217,248 Sponsor Shares and 647,925 Warrants.

1. & 2. Inclusive of LTIP & Prior share awards granted.

LTIPs were awarded to the Executive Director (CEO) (alongside other ELT members) and new Non-Executive Director Dr. Susan Liautaud between 22 April 2022 and 31 December 2022 as outlined below.

Remuneration for 2022

With effect from completion of the Business Combination, new remuneration arrangements were introduced for the Executive Director (CEO) and ELT.

In the months preceding the Business Combination, the Remuneration Committee reviewed the existing compensation framework for the Executive Director (CEO) and ELT members, working with remuneration advisers (AON and Deloitte). In doing so, the Remuneration Committee considered the following:

- governance requirements as well as shareholder expectations post-listing;
- detailed benchmark of total compensation against an agreed list of comparator companies (mainly biotech companies) across UK, Europe and US, provided by AON and further refined by Deloitte;
- total compensation (base, bonus and equity) set towards 75th percentile of benchmark;
- post-close LTIP framework, with a blend of RSUs and PSUs and more skewed towards PSUs, with an opportunity in the future to exceed for stretch performance;
- performance measures for PSUs more focused on long-term shareholder value creation;
- holding periods for LTIP awards that are in line with shareholder expectations; and
- principle of all colleagues continuing to participate in value creation, through on-hire equity grant.

Through this process a recommendation was made for the post-close Executive Director (CEO) and ELT compensation and overall LTIP framework. The outputs of this were for an increase in base salary of 11% for the Executive Director (CEO) and an increase in the maximum bonus opportunity to 100% from 50%. For ELT members (outside of CFO and CPO, who were benchmarked appropriately on hire) this saw an increase in salary of between 14% and 36% and a maximum bonus opportunity set for all ELT members at 50% of annual earnings.

Annual bonus

The Executive Director (CEO) was eligible to earn an annual bonus of up to 50% of salary for the period to the end of April and 100% of salary for the period to the end of December (post-listing and changes to remuneration listed above), based upon achievement of strategic objectives and personal performance measures. Group objectives unlock up to 50% of maximum bonus potential, whilst personal performance unlocks up to 50%.

The bonus calculation in relation to Group objectives is set out below. Given the commercially sensitive nature of these targets, high-level descriptions are provided.

	Description	Target	Achievement
Drug Discovery	Objectives covered a range of pipeline measures, with key items including; completion of BEN-2293 Phase IIa study and CTA filing for BEN-8744.	35%	30.1%
Product & Technology	Objectives covered a range of deliverables, including a next generation of Knowledge Graph (KG 2.0), new data sources and improvements in the tools.	25%	22.0%
Commercial	Continued delivery of the AstraZeneca collaboration and aim to deliver a new collaboration.	25%	5.0%
Corporate	Completed Business Combination and fund raising alongside corporate and ESG strategy development.	15%	15.0%
Total		**100%**	**72.1%**

The table below sets the CEO's single total figure of remuneration for the year ended 31 December 2022 together with the percentage of maximum bonus awarded over the same period.

Annual salary[1]	£545,000
Annual bonus (as a % of maximum opportunity)[2]	63%
Shares vesting[3]	1,183,290

Notes:

1. Base salary increased post-listing, actual earnings for the year £526,713 combined of old (£490,140) and new (£545,000).
2. Annual bonus % representative of 31% out of max 50% from old bonus scheme January - April and 63% out of max 100% from new bonus scheme May – December.
3. Total LTIP (PSU and RSU) and prior share awards left to vest, as at 31 December.

Share awards vesting in the year

Name	Type of Grant	Number of Shares Granted	**Number of Shares Vested in 2022**	Remaining to Vest
Joanna Shields	RSU	5,917,231	**1,249,625**	1,003,418
Dr François Nader	RSU	1,867,988	**1,195,512**	672,476
Dr John Orloff	RSU	115,479	**49,185**	66,294
Dr Jackie Hunter	Options	707,654	**1,861**	0
Prof Sir Nigel Shadbolt	Options	115,479	**40,631**	29,940
Michael Brennan	Options	58,392	**8,854**	6,672

Nil-cost share options were granted to the Executive Director (CEO) from 2018 to 2021, under the Group's previous share option scheme, vested upon listing and continually across the months to December 2022.

Share awards granted in the year

PSU awards were granted to the Executive Director (CEO) and members of ELT in July 2022, with vesting of the awards subject to the performance conditions, as set out below, in March 2025. The split between these measures, for each grant, is set annually by the Remuneration Committee. 50% of the award is based on TSR against a selected peer group of EU and US biotechnology companies, 40% against strategic objectives and 10% is based on ESG measures. The face value of the CEO's awards was equal to 200% of base salary and 150% for ELT members.

RSU awards were also granted to the Executive Director (CEO) and members of ELT in July 2022, with vesting of the awards subject to the conditions listed above within the policy framework, in March 2025. The face value of the Executive Director's (CEO) awards was equal to 75% of base salary, 25% for ELT members and 3 times annual fee for Non-Executive Dr. Susan Liautaud.

CEO pay ratio

Financial Year	Calculation Method	Element	P25 (lower quartile)	P50 (median)	P75 (upper quartile)	CEO
2022	Option A	CEO Pay Ratio	14:1	11:1	8:1	
		Total Pay & Benefits	£59,836	£77,983	£105,085	£826,583
		Salary	£50,000	£65,000	£86,400	£526,713

The Company has chosen to use Option A as defined by the UK listed company remuneration reporting requirements, as BenevolentAI recognises that this is the most statistically accurate method for calculating the ratio. Option A requires we calculate the total full-time equivalent pay and benefits of all our UK employees for the relevant financial year in order to identify and rank the 25th, 50th and 75th percentiles. These three pay ratios are then calculated against the CEO's single total figure of remuneration (STFR).

The above covers the period from 1 January 2022 to 31 December 2022, consistent with the single total figure of remuneration. For the CEO and each UK employee employed on 31 December 2022, the single total figure of remuneration comprises the summation of base pay and benefits received from 1 January 2022 to 31 December 2022, including employer pension contributions or cash equivalent and includes the full-year bonus for FY 2022. Base pay and bonus have been included on a full-time equivalent basis.

As this is the first year of reporting the CEO pay ratio, there are no prior year comparators. The future movement in the ratio will be considered by the Committee as appropriate.

Gender pay gap reporting

The Group recognises the importance of diversity and inclusion, including gender, at all levels of the Company. Whilst the Group is not legally obliged to report on its gender pay gap given its relative size, it is the intention of the Group to begin reporting on gender pay gap in 2023.

Implementation of remuneration policy in 2023

No salary increases are anticipated for the Executive Director (CEO) or ELT members in 2023. Along with the salary review timetable for the Company as a whole, the Executive Director (CEO) and ELT salaries for 2024 are scheduled to be reviewed in 2023.

The Executive Directors (CEO) and ELT members' pension contribution is 5% of salary. The Executive Director (CEO) and ELT members will receive standard benefits in line with those provided to the workforce.

The annual bonus opportunity for the Executive Director (CEO) and ELT members is 100% and 50% of salary respectively, with 50% based upon Group objectives and 50% on personal performance respectively. The actual targets and objectives are commercially sensitive at this time but will be disclosed when they cease to be so.

It is expected that an LTIP award with a face value of 130% of salary will be granted to the Executive Director (CEO) 100% of base salary to ELT members. 50% will be based on relative TSR against the pre-defined peer group of EU and US biotechnology companies (with no change from 2022), 40% against strategic objectives and 10% based on ESG metrics.

No annual fee increase is anticipated for the Non-Executive Directors in 2023. In March 2023, the Board approved a change to the structure and level of additional fees paid to the Non-Executive Directors in respect of committee membership and committee chair appointments.

Annual fee and additional fee structure of the Non-Executive Directors is detailed below:

- Annual fee of Non-Executive Directors (not including the Chair): GBP 60,000
- Annual fee of the Chair: GBP 80,000
- Additional annual fee for Non-Executive Directors serving on committees (regardless of the number of committee appointments): GBP 20,000[1]
- Additional annual fee for Non-Executive Directors serving as committee members (applicable per committee appointment): GBP 15,000[2]
- Additional annual fee for Non-Executive Directors serving as committee chairs (inclusive of any other committee fee): GBP 20,000[2]
- Additional annual fee for the Senior Independent Non-Executive Director: GBP 15,000
- Additional annual fee for the Workforce Non-Executive Director: GBP 15,000

1. Effective until 1 May 2023
2. Effective from 1 May 2023

Director services agreements

Executive Director

The Executive Director (CEO) is employed by BenevolentAI Limited pursuant to a service agreement, which sets out standard conditions as to the Executive Director's (CEO) duties and responsibilities. The service agreement is of indefinite duration and is governed by the laws of England and Wales.

The service agreement may be terminated by either party giving twelve months' prior written notice to the other party. BenevolentAI Limited is entitled to terminate the Executive Director's (CEO) employment immediately and make a payment in lieu of notice equal to base salary. There are normally no other benefits payable on termination of employment but the Committee retains discretion to make a payment in lieu of pension and benefits for the notice period. The Remuneration Committee retains the discretion to increase the notice period to a longer period of no more than twelve months.

In addition, the Company may terminate the service agreement with immediate effect without notice to the Executive Director (CEO) in certain circumstances that customarily entitle the termination of a service agreement without notice.

Non-Executive Directors

The Non-Executive Directors are elected for an initial term of three years pursuant to services agreements which all commenced on 22 April 2022 except Dr. Susan Liautaud's who's agreement commenced on 30 June 2022. These agreements may be terminated by either party. The services agreements may be terminated by either party on three months' prior written notice or six months' prior written notice in the case of the Chair's services agreement, and by the Company without notice where the Non-Executive Director is dismissed by the general meeting of the Company, breaches a material obligation of the service agreement, and in certain other circumstances that customarily entitle the termination of a service contract. The services agreements do not provide for the payment of any benefits to the Non-Executive Directors in the event of termination. The Company is entitled to terminate the services agreements immediately and make a payment to the Non-Executive Director equal to the fees the Non-Executive Director would have received during the outstanding notice period.

If a Director leaves during his/her term, the Board may co-opt a Director on a temporary basis and for a period of time not exceeding the initial mandate of the replaced Director until the next general meeting of shareholders of the Company which shall resolve on the permanent appointment.

Dr. John Orloff
Remuneration Committee Chair
20 March 2023

Responsibility statement by the Board of Directors

for the year ended 31 December 2022

The Board of Directors of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the consolidated financial position of the Company and its undertakings included in the consolidation taken as a whole (together "the Group") with reasonable accuracy at all times and to ensure that an appropriate system of internal controls is in place to ensure that the Group's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Board of Directors of the Company declare that, to the best of their knowledge, the audited consolidated financial statements of the Company for the year ended 31 December 2022 as presented in this Annual Report, and established in conformity with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities and financial position of the Group as of that date and results of the Group for the period then ended. In addition, the Annual Report includes a fair review of the development and performance of the Group's business operations during the year and of principal risks and uncertainties, where appropriate, faced by the Group as well as other information required by the Article 68 ter of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended.

On behalf of the Board of Directors of the Company:

Dr. François Nader
Chair
20 March 2023

Joanna Shields
Chief Executive Officer
20 March 2023

Independent auditor's report

to the Board of Directors of BenevolentAI

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of BenevolentAI S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in note 7 to the consolidated financial statements.

Report on the audit of the consolidated financial statements continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting treatment and disclosures of the capital reorganisation Odyssey Acquisition S.A., an entity incorporated in Luxembourg, acquired 100% of the share capital of BenevolentAI Limited on 22 April 2022 (the Transaction). On completion of the Transaction, Odyssey Acquisition S.A. was renamed BenevolentAI S.A. and became the new legal ultimate controlling entity of the BenevolentAI group. The Transaction was accounted for in line with the requirements of IFRS 2, Share-based Payment as a capital reorganisation, since Odyssey Acquisition S.A. was concluded not to meet the definition of a business in accordance with IFRS 3, Business Combinations. The accounting for the Transaction is complex and involves several key judgements and estimates in the determination of its appropriate accounting treatment and presentation and disclosure in the consolidated financial statements (including but not limited to the identification of the accounting acquirer, the determination that the Transaction did not represent a business combination, the classification and valuation of Class A and B Warrants issued by Odyssey Acquisition S.A., and the determination of the fair value of the consideration transferred for the acquisition). For these reasons, we considered the accounting treatment and disclosures of the capital reorganisation to be a key audit matter.	• We inspected signed agreements associated with the Transaction to understand its key terms; • We assessed the appropriateness of management's identification of the accounting acquirer and the appropriateness for the accounting of the Transaction; • We tested the entries made for the Transaction accounting with the reference to the signed agreements, supporting calculations and other relevant supporting information; • We engaged our internal valuation experts to assess the appropriateness of the valuation methodology applied by the Management to the Class A and B warrants issued by Odyssey Acquisition S.A. We tested the completeness and accuracy of key inputs into the valuations; • We assessed the appropriateness of the classification of the warrants, including whether these should be accounted for as equity or liabilities; • We assessed the appropriateness of the methodology applied by the Management to the calculation of the consideration transferred for the group reorganisation and verified significant assumptions used in the calculation; • We assessed the appropriateness of the disclosures in Note 4 to the consolidated financial statements.
Accounting for share-based payments The group recognises a share-based payment expense in relation to several equity-settled share-based payment schemes, each of which has separate terms and conditions. We considered this a key audit matter due to the inherent complexity and judgement in applying the accounting standard, including the impact of service conditions and vesting conditions on the required cost recognition methodology. In addition, a prior-year adjustment has been recognised by management relating to the period over which the historical share-based payment expense was recognised (refer to note 28.4 of the consolidated financial statements for the related disclosures). For these reasons, we considered the accounting for share-based payments to be a key audit matter.	• We performed substantive testing on a sample of share-based payment awards to verify that the expense was recorded in accordance with the terms of the award and the relevant IFRS standard, including assessment of the appropriateness of the methodology used; • We tested the accuracy of management's calculations, including testing the completeness and accuracy of the calculation of the prior-year adjustment; • We assessed the appropriateness of the disclosures in Note 28.3 and 28.4 to the consolidated financial statements.

Report on the audit of the consolidated financial statements continued

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Annual Report including the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process. The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (ESEF Regulation).

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

Report on the audit of the consolidated financial statements continued

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements continued

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 30 June 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;

- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2022, identified as BenevolentAI-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Represented by

Andrei Chizhov
PricewaterhouseCoopers, Société coopérative
Luxembourg
20 March 2023

Consolidated statement of comprehensive income

for the year ended 31 December

	Note	2022 Total £'000	2021 restated[2] Total £'000
Revenue	5	**10,560**	4,625
Research and development expenses	6	**(71,884)**	(56,916)
Included within research and development (R&D) expenses:			
Employee-related share-based payment (SBP) expense	6, 28	**(6,791)**	(9,824)
Administrative expenses[1]	2.4	**(135,876)**	(69,121)
Included within administrative expenses:			
Employee-related SBP expenses	2.4, 28	**(20,823)**	(41,566)
Listing service SBP expense[1]	2.4, 4	**(83,067)**	—
Other income		**166**	90
Operating loss		**(197,034)**	(121,322)
Finance income	10	**19,286**	56
Included within finance income:			
Fair value revaluation of warrants[1]	10	**17,737**	—
Finance expense	11	**(2,104)**	(448)
Loss before taxation		**(179,852)**	(121,714)
Taxation	12	**15,924**	14,059
Loss for the year		**(163,928)**	(107,655)
Basic and diluted loss per share, expressed in pence	13	**(150.2p)**	(119.8p)
Weighted average ordinary shares outstanding	13	**109,110,109**	89,885,143
Loss for the year		**(163,928)**	(107,655)
Other comprehensive income/(expense) that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**31**	(94)
Total comprehensive loss for the year		**(163,897)**	(107,749)

1. Listing service SBP expense is considered a non-normalised expense. Non-normalised expenses are defined as those related to the Business Combination which took place on 22 April 2022 (the "Transaction"), accounted for as a capital reorganisation; the impairment of assets or revaluation of investments for which BAI does not manage directly; and the revaluation of warrants. See note 2.4 for further details.
2. Employee-related SBP restatement as detailed in note 28.4.

No dividend has been declared or paid in either reporting period.

The notes form an integral part of these statements.

Consolidated statement of financial position

as at 31 December

	Note	2022 £'000	2021 restated[1] £'000
Non-current assets			
Goodwill	14	**23,479**	23,479
Intangible assets	15	**20**	23
Property, plant and equipment	16	**2,561**	2,778
Investments	17	**1,892**	2,383
Right-of-use assets	18	**5,915**	7,222
Trade and other receivables	19	**—**	175
		33,867	36,060
Current assets			
Trade and other receivables	19	**5,784**	3,921
R&D tax receivable	20	**16,119**	12,150
Short-term deposits	21	**41,740**	—
Cash and cash equivalents	21	**88,442**	40,553
		152,085	56,624
Total assets		**185,952**	92,684
Non-current liabilities			
Lease liabilities	25	**5,688**	7,201
Provisions	27	**626**	1,549
		6,314	8,750
Current liabilities			
Trade and other payables	22	**14,877**	10,286
Deferred income	23	**2,874**	31
Warrants	24	**352**	—
Lease liabilities	25	**1,665**	1,593
Provisions	27	**5,871**	11,076
		25,639	22,986
Total liabilities		**31,953**	31,736
Net assets		**153,999**	60,948
Equity			
Share capital	29.2	**100**	243
Share premium account		**930,495**	211,158
Share-based payment reserve	4, 28	**203,739**	86,854
Accumulated losses	4	**(456,091)**	(292,172)
Merger difference	4	**(524,572)**	54,568
Currency translation reserve		**328**	297
Total equity		**153,999**	60,948

1. SBP restatement as detailed in note 28.4.

The notes form an integral part of these statements.

These consolidated financial statements were authorised by the Board of Directors on 20 March 2023.

Consolidated statement of changes in equity

for the year ended 31 December

	Note	Called up share capital £'000	Share premium £'000	Share-based payments reserve £'000	Accumulated losses £'000	Merger difference £'000	Currency translation reserve £'000	Total equity £'000
Balance at 1 January 2021		239	204,124	47,838	(184,534)	54,568	391	122,626
Loss for the year		—	—	—	(86,484)	—	—	(86,484)
Foreign exchange difference		—	—	—	17	—	(94)	(77)
Transactions with owners, recorded directly in equity								
Issue of shares, net of costs		4	7,034	—	—	—	—	7,038
Equity-settled employee-related SBP transactions	9, 28	—	—	19,828	—	—	—	19,828
Total contributions by and distributions to owners		4	7,034	19,828	—	—	—	26,866
Balance at 31 December 2021		243	211,158	67,666	(271,001)	54,568	297	62,931
Restatement[1] of equity-settled SBP transactions[1]	28.4	—	—	19,188	(21,171)	—	—	(1,983)
Restated[1] balance at 31 December 2021		243	211,158	86,854	(292,172)	54,568	297	60,948
Restated[1] balance as at 1 January 2022		243	211,158	86,854	(292,172)	54,568	297	60,948
Loss for the year		—	—	—	(163,928)	—	—	(163,928)
Foreign exchange difference		—	—	—	—	—	31	31
Transactions with owners, recorded directly in equity								
Capital reorganisation of Odyssey	4	(149)	584,462	—	—	(579,140)	—	5,173
Repurchase and cancellation of G2 Growth Shares	29	(9)	—	—	9	—	—	—
Equity of PIPE Financing and backstop facility, net of costs	4	15	134,875	—	—	—	—	134,890
Listing service SBP expense	4	—	—	83,067	—	—	—	83,067
Equity-settled employee-related SBP transactions	9, 28	—	—	33,818	—	—	—	33,818
Total contributions by and distributions to owners		(143)	719,337	116,885	9	(579,140)	—	256,948
Balance at 31 December 2022		**100**	**930,495**	**203,739**	**(456,091)**	**(524,572)**	**328**	**153,999**

1. SBP restatement as detailed in note 28.4.

The notes form an integral part of these statements.

Consolidated statement of cash flows

for the year ended 31 December

	Note	2022 £'000	2021 restated[1] £'000
Cash flows from operating activities			
Loss for the year		**(163,928)**	(107,655)
Adjustments for:			
Depreciation charges	16, 18	**3,053**	2,931
Amortisation charges	15	**3**	12
Impairment charges	15	**—**	10,700
Loss on disposal of property, plant and equipment		**2**	27
Equity-settled employee-related SBP expense	28	**33,818**	39,016
Non-cash listing service SBP expense	4	**83,067**	—
Foreign exchange (gain)/loss		**(3,141)**	6
Finance expense	11	**2,104**	448
Finance income	10	**(19,286)**	(56)
Revaluation of investment	17	**491**	—
Research and development expenditure tax credit		**(16,119)**	(12,150)
Operating cash flow before changes in working capital[2]		**(79,936)**	(66,721)
Increase in trade and other receivables		**(1,460)**	(656)
Decrease in trade and other payables		**(1,505)**	(4,830)
(Decrease)/increase in provisions		**(6,160)**	12,625
		(89,061)	(59,582)
Tax credit received		**12,150**	10,678
Net cash from operating activities		**(76,911)**	(48,904)
Cash flows from investing activities			
Acquisition of property, plant and equipment	16	**(1,158)**	(925)
Proceeds from sale of assets		**—**	3
Movement in short-term deposits	21	**(41,740)**	—
Interest received on bank deposits	10	**1,544**	56
Net cash from investing activities		**(41,354)**	(866)
Cash flows from financing activities			
Principal repayment on lease liabilities	26	**(1,816)**	(1,555)
Interest repayment on lease liabilities	11, 26	**(417)**	(448)
Equity issue of PIPE and backstop facility[3]	4	**136,680**	7,038
Expenses related to equity issue of PIPE and backstop facility	4	**(11,338)**	—
Negative interest paid on cash held in escrow and bank fees	11	**(122)**	—
Loss on forward exchange settlement	11	**(1,565)**	—
Cash acquired from capital reorganisation	4	**41,556**	—
Net cash from financing activities		**162,978**	5,035
Net increase/(decrease) in cash and cash equivalents		**44,713**	(44,735)
Cash and cash equivalents at 1 January		**40,553**	85,371
Effect of exchange rate fluctuations on cash held		**3,176**	(83)
Cash and cash equivalents at 31 December	21	**88,442**	40,553

1. SBP restatement as detailed in note 28.4.
2. Changes in working capital for 2022 include the movement to the net assets acquired under the Transaction with Odyssey on 22 April 2022.
3. The £136.7 million excludes £9.5 million of non-cash consideration included in total proceeds of £146.2 million.

The notes form an integral part of these statements.

Notes to the financial statements

for the year ended 31 December

1. Background to the Group

1.1 Corporate information

BenevolentAI (the "Company"), which is a Société Anonyme, is a publicly listed company on the Euronext Amsterdam, with the ticker symbol BAI.

The Company is limited by shares, incorporated under the laws of Luxembourg under registered number B255412, having its registered office 9, rue de Bitbourg, L-273 Luxembourg, Grand Duchy of Luxembourg.

The principal activity of the Company and its subsidiaries (collectively, the "Group" or "BAI Group") is that of creating and applying AI and machine learning to transform the way medicines are discovered and developed.

1.2 Group structure

BenevolentAI was originally known as Odyssey Acquisition S.A. ("Odyssey"), a Special Purpose Acquisition Company established for the purpose of acquiring a business with principal business operations in Europe or in another geographic area, that is based in the healthcare sector or the TMT (technology, media, telecom) sector or any other sectors. Odyssey was listed on the Euronext Amsterdam stock exchange on 6 July 2021.

On 22 April 2022 ("Closing date"), Odyssey and BenevolentAI Limited ("BAI Ltd"), the former parent company of the privately held UK group before the capital reorganisation ("Transaction"), entered into a capital reorganisation agreement by way of contribution of all shares in BAI Ltd into Odyssey in exchange for Odyssey issuing new ordinary shares. The Transaction was completed on 22 April 2022 and the name of the ultimate holding company was changed from Odyssey Acquisition S.A. to BenevolentAI, whose consolidated Group post-Transaction is referred to as BAI Group.

BAI Group is managed by its ultimate parent company BenevolentAI, with the following 5 trading subsidiaries operating under one segment. The Group's opportunity to deliver future value depends on a unified and amalgamated approach across the whole of the Group and could not be achieved independently by any individual entity or separately identifiable line of business.

	Registered office address[2]	Principal business	Class of shares held	Ownership
BenevolentAI Limited	4-8 Maple Street, London, W1T 5HD, United Kingdom	Holding	Ordinary shares	100%
BenevolentAI Cambridge Limited[1]	4-8 Maple Street, London, W1T 5HD, United Kingdom	R&D	Ordinary shares	100%
BenevolentAI Bio Limited[1]	4-8 Maple Street, London W1T 5HD, United Kingdom,	R&D	Ordinary shares	100%
BenevolentAI Technology Limited[1]	4-8 Maple Street, London, W1T 5HD, United Kingdom	R&D	Ordinary shares	100%
Benevolent Technology Inc[1]	15 MetroTech Center, 8th FL, NY 11201, United States	R&D	Ordinary shares	100%
BenevolentAI Energy Limited[1]	4-8 Maple Street, London, W1T 5HD, United Kingdom	Dormant	Ordinary shares	100%
Stratified Medical Limited[1]	4-8 Maple Street, London, W1T 5HD, United Kingdom	Dormant	Ordinary shares	100%

1. Held indirectly.
2. The country of registration for each subsidiary is also its principal place of business.

2. Accounting policies

2.1 Basis of preparation

The Group's consolidated financial statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and applicable law. They have been prepared on a historical cost basis, except for financial instruments measured at fair value, and all amounts have been rounded to the nearest £'000. As set out in note 2.2 below, the Group financial statements have been prepared on a going concern basis.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

No new standards have been early adopted by the Group in the year. A number of new standards are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

2. Accounting policies continued

2.1 Basis of preparation continued

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRS 17 "Insurance Contracts" (issued on 18 May 2017); including Amendments to IFRS 17) and Initial Application of IFRS 17 and IFRS 9 Comparative information (issued after 25 June 2021).
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates (issued on 12 February 2021).
- Amendments to IFRS 16 "Leases" on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction (issued on 22 September 2022).
- Amendments to IAS 1, Non-current liabilities with covenants: These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability (issued on 31 October 2022).
- Amendments to IAS 1, aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies
- Amendments to IAS 12 "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021).

2.2 Going concern

The financial statements have been prepared on the going concern basis, which the Directors consider appropriate for the following reasons.

Cash flow forecasts have been prepared for a period in excess of twelve months from the date of approval of these financial statements (the going concern period). These forecasts include a base case scenario, which excludes any unsigned revenue contracts. Additionally, severe but plausible downside scenarios have also been considered, with corresponding mitigating actions that allow for an extension of the Group's cash runway.

The Group's cash, cash equivalents and short-term deposits position of £130.2 million (2021: £40.6 million) comes largely from issuing equity, most recently from the Business Combination completed in April 2022 (see note 4) and related equity PIPE investment. The base case scenario includes a substantial cash position held by the Group and excludes unsigned revenue which could be secured as part of normal operating activities.

The severe but plausible scenario downside scenarios consider the Group's exposure to macroeconomic factors, including inflation, tax credit regime changes and supply chain risk. No combination of these factors indicates that additional funding will be needed throughout the going concern period, due to various mitigating actions that the Directors could implement to preserve cash if needed. These mitigating actions include a reduction in operating expenses (which are within the control of the Directors). These forecasts indicate that the Group will have sufficient funds to meet its liabilities for the going concern period.

The Group continues to rely on equity to fund its operations in the medium to long term. The Directors remain confident that, when it is required, such further funding will be accessible to the Group.

As a result, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

2.3 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

2. Accounting policies continued

2.4 Normalised operating loss and cash flows

Normalised operating loss for the years ended 31 December 2022 and 31 December 2021 is defined as operating loss excluding non-normalised transactions, defined as those related to the Business Combination; the impairment of assets or revaluation of investments for which BAI does manage directly; and the revaluation of the warrants recognised as finance income. This is to show an underlying representation of operating losses for the respective periods and extends to normalised operating cash flows on the same basis.

Normalised operating losses, normalised operating cash flows and non-normalised transactions are each alternative performance measures (APMs) that are not calculated in accordance with IFRS and, therefore, may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to, and are not intended to substitute or supersede, IFRS measures.

This APM is in our view an important metric for a biotech company in the development stage. Removing the non-normalised costs, given their material, isolated and one-off nature, enables users to better compare the Group's normal operating performance between reporting periods.

The following table presents a reconciliation of normalised operating loss, to the closest IFRS measures, for the year ended 31 December:

		2022			2021 restated		
	Note	**Normalised £'000**	**Non-normalised £'000**	**Total £'000**	Normalised £'000	Non-normalised £'000	Total £'000
Revenue	5	**10,560**	**—**	**10,560**	4,625	—	4,625
R&D expenses	6	**(71,884)**	**—**	**(71,884)**	(56,916)	—	(56,916)
Included within R&D expenses:							
Employee-related SBP expenses	6, 28	**(6,791)**	**—**	**(6,791)**	(9,824)	—	(9,824)
Administrative expenses	2.4	**(33,440)**	**(102,436)**	**(135,876)**	(55,510)	(13,611)	(69,121)
Included within administrative expenses:							
Employee-related SBP expenses	28	**(16,940)**	**(3,883)**	**(20,823)**	(41,566)	—	(41,566)
Listing service SBP expense	4	**—**	**(83,067)**	**(83,067)**	—	—	—
Transaction-related expenditure	4	**—**	**(11,255)**	**(11,255)**	—	(2,911)	(2,911)
Impairment of assets	15	**—**	**—**	**—**	—	(10,700)	(10,700)
Transaction-related stamp duty		**—**	**(3,740)**	**(3,740)**	—	—	—
Revaluation of investments	17	**—**	**(491)**	**(491)**	—	—	—
Other income		**166**	**—**	**166**	90	—	90
Operating loss		**(94,598)**	**(102,436)**	**(197,034)**	(107,711)	(13,611)	(121,322)

2. Accounting policies continued

2.4 Normalised operating loss and cash flows continued

Similarly, normalised operating cash flows are considered on the same basis and to the same effect. The following table presents a reconciliation to the closest IFRS measures for the year ended 31 December:

	Note	2022 £'000	2021 restated £'000
Cash flows from operating activities			
Operating loss for the year		**(197,034)**	(121,322)
Non-normalised expenses	2.4	**102,436**	13,611
Normalised operating loss	2.4	**(94,598)**	(107,711)
Adjustments for:			
Depreciation charges	16, 18	**3,053**	2,931
Amortisation charges	15	**3**	12
Loss on disposal of property, plant and equipment		**2**	27
Foreign exchange (gain)/loss		**(3,141)**	6
Other employee-related SBP expense	28	**29,935**	39,016
Normalised operating cash flow before changes in working capital		**(64,746)**	(65,719)
Increase in trade and other receivables		**(1,460)**	(656)
Increase in R&D tax credit receivable		**(3,969)**	(1,472)
Decrease in trade and other payables		**(1,505)**	(4,830)
(Decrease)/increase in provisions		**(6,160)**	12,625
Cash expended from operating activities before taxation and non-normalised items		**(77,840)**	(60,052)
Cash outflows in respect of Transaction-related expenditure	2.4	**(11,255)**	(2,911)
Cash outflows in respect of Transaction-related stamp duty	2.4	**(3,740)**	—
Cash expended from operating activities before taxation		**(92,835)**	(62,963)
Taxation		**15,924**	14,059
Net cash outflow from operating activities		**(76,911)**	(48,904)

2.5 Change in functional currency of BenevolentAI

As of 22 April 2022, management reviewed the functional currency of BenevolentAI and the presentation currency of the Group. The change in functional currency for standalone BenevolentAI was made, from Euros (EUR) to Pound Sterling (GBP) to reflect that GBP has become the predominant operating currency for the Company representing a significant part of its cash flows and its operating environment, while the Group presentation currency remains in GBP consistent with the prior year.

The Group presents as comparative information the financial information of the former BenevolentAI Limited Group, which had GBP as its functional and presentation currency. That is, as discussed in note 2.14, the new Group's consolidated statement of comprehensive income contains only the post-acquisition performance of BenevolentAI. Comparative information, therefore, has not been re-stated following this change to BenevolentAI's functional currency.

2.6 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, GBP, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

2. Accounting policies continued

2.6 Foreign currency continued

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve. When a foreign operation is disposed of, such that control, or significant influence (as the case may be) is lost, the entire accumulated amount in the foreign currency translation reserve, is recycled to profit or loss as part of the gain or loss on disposal.

2.7 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these consolidated financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.8 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses (ECLs).

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash balances and cash deposits with maturities of less than 3 months at their inception.

Short-term deposits

Short-term deposits include cash deposits with maturities of greater than 3 months but less than 12 months at their inception.

Investments

Investments are recognised initially at fair value. Subsequent to the initial recognition they are measured at fair value through profit or loss using latest observable share price.

2.9 Derivative financial instruments

Warrants

As part of the Business Combination transaction, BAI Group took on warrants which had been initially issued by Odyssey prior to the Transaction, as part of financing Odyssey's working capital and investment.

A derivative, other than a derivative that meets the definition of an equity instrument, is initially recognised as a financial asset or financial liability at its fair value on the date the derivative contract is entered into, and the related transaction costs are expensed. The fair values of the derivatives are remeasured at the end of each reporting period with changes in fair values recognised through profit or loss.

A derivative that will be settled by the Company delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash in terms of its functional currency or another financial asset is classified and presented as an equity instrument, rather than a financial liability. As the exercise price of the Company's share purchase warrants that are exercisable into common shares is denominated in EUR, however, the Company will receive a variable amount of cash in terms of its GBP functional currency upon exercise of the warrants due to movements in foreign exchange.

The warrants are, therefore, presented as derivative financial liabilities.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation of the EUR denominated warrants are recognised as finance income/expense in the consolidated statement of comprehensive income.

2. Accounting policies continued

2.10 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to a single identifiable cash-generating unit and is not amortised but instead tested annually for impairment.

Research and development

Expenditure on research activities is recognised in the consolidated statement of comprehensive income as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the consolidated statement of comprehensive income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other Intangible assets

Expenditure on internally generated goodwill and brands is recognised in the consolidated statement of comprehensive income as an expense as incurred.

Patents or rights to their future income acquired by the Company are initially recognised based on transaction price and stated at this cost less accumulated amortisation. Indicators of impairment are assessed at the end of each reporting period.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is recognised as an administrative expense in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, starting from the date they are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The estimated useful lives are as follows:

- Patents or rights to their future income – over the expected duration of the patent
- Software – length of software licence

Goodwill and intangible assets with an indefinite useful life are not amortised but are systematically tested for impairment annually.

2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated statement of comprehensive income under either the administrative expense or R&D expense, depending on the classification of the asset, on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- Laboratory equipment 4 – 10 years
- Computer equipment 3 years
- Fixtures and fittings 4 – 5 years
- Leasehold improvements life of the lease

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

2.12 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

2. Accounting policies continued

2.12 Right-of-use assets continued

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of twelve months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

2.13 Business combinations

Business Combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2.14 Capital reorganisation

The Business Combination between BAI Ltd and Odyssey is accounted for within the scope of IFRS 2 as a capital reorganisation since Odyssey did not meet the definition of a business in accordance with IFRS 3. Under this accounting method, Odyssey is treated as the acquired company for financial reporting purposes.

Accordingly, for financial reporting purposes, the Transaction was treated as the equivalent of BAI Ltd issuing shares at the closing of the Business Combination for the net assets of Odyssey as at the Closing date. The capital reorganisation reflects the transition of the share capital and share premium from BAI Ltd to BenevolentAI, which comprises the legal essence of the Transaction. This results in a decrease within share capital and related increase to share premium, to align the equity of BAI Ltd (as the acquirer for financial reporting purposes) with the equity of the Group's new ultimate legal parent, BenevolentAI. The book value accounted for on consolidation is reflected through a corresponding charge to merger difference, such that the net impact to equity is equal to the net assets acquired (£5.2 million, see note 4).

The excess of the fair value of consideration for Odyssey over the fair value of its identifiable net assets acquired represents a compensation for the service of a stock exchange listing for its shares and expenses as incurred.

The comparatives in the financial statements represent the financial information of BAI Ltd and its subsidiaries, both to 31 December 2021 and as at 31 December 2021. The activity and position of the acquired Odyssey is considered only from the Closing date onwards. That is, the consolidated statement of comprehensive income contains only the post-acquisition performance of BenevolentAI. See note 4 for further details.

2.15 Impairment

Financial assets (including receivables)

Financial assets are assessed for indicators of impairment at the end of the reporting period. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next twelve months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

2. Accounting policies continued

2.15 Impairment continued

Non-financial assets continued

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. Goodwill acquired in a Business Combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. In assessing the fair value of the CGU, we have considered quoted market prices in an active market, as we consider the Group as a single CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated statement of comprehensive income in the periods during which services are rendered by employees.

Share-based payment transactions – BenevolentAI Equity Incentive Scheme (BEIS)

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Options or restricted stock units (RSUs) granted under the BEIS are comprised of tranches that represent each increment that participants become entitled to over the vesting period. The fair value of each of these vesting tranches is recognised as an employee or related expense in the consolidated statement of comprehensive income, on a straight-line basis over the longer of either the time until the service condition is met or the trigger event is expected to take place ("vesting period"), with a corresponding movement to equity reserves. For each tranche continuing to have their FV charged after the trigger event, this is spread on a straight-line basis over the service period. The fair value of the awards granted is measured using the Black-Scholes model. The amount to be expensed over the vesting period is adjusted to reflect the number of awards for which the related non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related non-market performance conditions at the vesting date.

At each consolidated statement of financial position date, the Group revises its estimates of the number of awards that are expected to vest, as well as the estimate of the vesting period. The impact of the revisions of original estimates, if any, is recognised in the consolidated statement of comprehensive income, with a corresponding adjustment to equity reserves, over the remaining vesting period.

Share-based payment transactions – Long Term Incentive Plan (LTIP)

Awards granted to participants under the LTIP comprise of RSUs and performance stock units (PSUs). The fair value for the RSUs has been determined and recognised on the same basis as under the BEIS post-trigger event, namely tied to the service condition.

The PSUs include both non-market vesting conditions and market vesting conditions. As with the BEIS, the number of equity instruments expected to vest which are tied to the non-market conditions is revisited at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest.

Market vesting conditions, however, are factored into the fair value of the awards granted. The portion of each PSU which relates to market vesting conditions carries a separate fair value, determined using the Monte Carlo Simulation model. Provided all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Tax payments related to share-based payments

Historically, the liability arising from any tax due in any jurisdiction in relation to equity compensation sat with the beneficiary of that instrument. Following a Board resolution and subsequent communication to employees in the second half of 2021, the tax liability has been transferred to the Group.

2. Accounting policies continued

2.16 Employee benefits

Tax payments related to share-based payments continued

This liability is recognised in-line with the relative portion of fair value charged for each tranche as at the balance sheet date, under both the BEIS and LTIP, adjusted for changes in expectation with regards to the non-market vesting conditions and based on the latest market share price available as at that same date.

2.17 Revenue recognition

The Group's revenue is generated from licence or collaboration agreements.

Collaboration agreements typically have an initial upfront payment, periodic collaboration payments and potential milestone payments for research, development and commercial achievements plus royalties on net sales. We initially recognise income under the collaboration as deferred revenue, which we become entitled to reclassify as revenue in line with the completion of performance obligations, measured as a percentage complete against the latest collaboration team forecasts.

When the Group receives milestone payments for achieving pre-defined targets during pre-clinical and clinical development, these milestones are recognised when probable (i.e. on achievement of the pre-defined target). except where the milestone or a proportion of the milestone is to be applied to the development of the programme which is the subject of the collaboration agreement. In such circumstances, the income is deferred and recognised as income by reference to the development costs incurred in developing the programme towards the next milestone.

The rules for revenue recognition are stipulated by the accounting standard IFRS 15 which we have adopted in these consolidated financial statements.

2.18 Other income

The Group recognises income for all government grants in relation to research and development, where there is reasonable assurance that the grant will be received and attached conditions will be complied with.

2.19 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease where these are short-term leases with a period remaining of less than twelve months or for low value. Other leases that are assessed under IFRS 16 as finance leases have been accounted for in accordance with IFRS.

Research & development (R&D) expenditure

R&D expenditure, which includes a proportion of staff costs and directly attributable overheads, is currently recognised in the consolidated statement of comprehensive income as incurred, on the basis that the recognition criteria of IAS 38 "Intangible Assets" are currently not met.

2.20 Interest income and expenditure

Interest income and expenditure is recognised in the consolidated statement of comprehensive income as it accrues on a timely basis, by reference to the principal outstanding and effective interest rate applicable. Other finance income and expenditure relates to the fair value revaluation of the warrant liabilities at the balance sheet date, as well as the settlement of forward contracts.

2.21 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a Business Combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2.22 Issued capital

Ordinary, preference and growth shares are classified as equity. Proceeds in excess of the par value of the shares are shown as share premium in equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction of share premium, net of tax, from the proceeds.

2. Accounting policies continued

2.23 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability, where this would be material.

3. Critical accounting judgements and key sources of estimation uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other relevant factors, including management's reasonable expectations of future events. The preparation of these consolidated financial statements requires management to make estimates and assumptions concerning the future. The estimates and the underlying assumptions are subject to continuous review.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

In preparing these consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are as follows.

3.1 Critical judgements in applying accounting policies

Revenue

In the year, the Group entered a second collaboration agreement with AstraZeneca (AZ). The new collaboration is related to two new disease areas and has been treated by the Group as a separate agreement, since it has identified new and distinct performance obligations that did not exist in the previous agreement entered in 2021.

The Group's main collaboration works across two disease areas using a similar methodology in each. In identifying the performance obligations within the contract, management has made judgements in categorising each disease area as its own discrete performance obligation, where their delivery is both independent from one another and deemed to require an equal amount of effort, and where they are individually considered a distinct bundle of services.

Goodwill and Intangible Assets

The amount of goodwill and intangible assets initially recognised as a result of a Business Combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed.

The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement and on industry benchmarks and information relevant to the specific assets in focus. The carrying value of the goodwill is in line with the allocation of the purchase price in 2018, arising from the acquisition of BenevolentAI Cambridge Limited.

During 2022, management has performed an impairment assessment on the goodwill in accordance with IAS 36. For the purposes of impairment assessment, goodwill has been allocated to the Group's CGU defined as the whole of the BenevolentAI Group (BAI Group). CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. Management, as part of their continued evaluation of the goodwill, has considered that the CGU for 2022 is the BAI Group, since Management has now considered that the assets held by BenevolentAI Cambridge Limited is now, and increasingly so, strategically integrated with the other legal entities in the Group. By this very nature Management believes for any future commercial value created through the current and future drug programs, then a unified and amalgamated approach is required across the whole of the Group. In 2021 for the purposes of impairment testing, goodwill has been allocated to the Group's CGU defined as the whole of the BenevolentAI Cambridge Limited entity.

Per IAS 36.6, impairment is recognised as an expense in the consolidated statement of comprehensive income if the recoverable value (higher of fair value less cost of disposal or value in use, "FVLCTS") of an asset is less than its carrying value. The carrying value of the goodwill which is currently held in the balance sheet as at 31 December 2022 is £23,479k.

The net recoverable amount or FVLCTS of the CGU is estimated using the Group's quoted market value at year end. Since the Group is a listed quoted entity, the fair value can be determined by the quoted share price of BAI as at closing on 31 December 2022, which was at £3.10 per share (€3.50 per share) equivalent to an overall £364,775k fair value of the CGU. This exceeds the Group's net assets of £153,999k inclusive of the goodwill amount, as such there are no impairment indicators to the current carrying value of the goodwill.

3. Critical accounting judgements and key sources of estimation uncertainty continued

3.2 Other accounting estimates

The Group has not identified any significant accounting estimates, being those which present a significant risk of material adjustment in the next financial period. However, other areas of estimation uncertainty have been identified as follow:

Revenue

In recognising revenue against the individual performance obligations, estimates have been made in the calculation of their percentage complete, the key driver of revenue release. This requires an estimation of full-time equivalent (FTE) days needed to fully satisfy each performance obligation.

Share-based payments charge

The Group operates the BenevolentAI Equity Incentive Scheme (BEIS) and Long Term Incentive Plan (LTIP). The fair value of equity incentive awards, or respective portions of awards, related solely to non-market vesting conditions is measured using the Black-Scholes model at each grant date. The number of equity instruments expected to vest which are tied to the non-market conditions is revisited at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments expected to eventually vest.

The fair value of equity incentive award portions related to market vesting conditions is measured using the Monte Carlo Simulation model at each grant date. Provided all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

The net increase in relative portion of fair value charge during the year is recognised in the consolidated statement of comprehensive income. The assumptions used in both the Black-Scholes and Monte Carlo Simulation models are detailed in note 28.

Fair value revaluation of class A warrants and class B warrants

The Company's warrants are classified and presented as derivative financial liabilities and measured at fair value through profit or loss. The fair value of each warrant class is determined at each reporting date and exercise date and is based on quoted market prices, where available, or independently valued using the Binomial Tree method and Monte Carlo Simulation models, the inputs for which derive from significant observable market inputs (volatility, discount rate and share price).

Fair value revaluation of class A shares and class B shares

As part of the accounting impact of the Business Combination with Odyssey in the year, the consideration deemed to have been issued by BAI Ltd is based on the value of Odyssey shares at the Closing date. As with the warrants, the fair value of each share class was determined based on quoted market prices, where available, or independently valued using the Binomial Tree method and Monte Carlo Simulation models, the inputs for which derive from significant observable market inputs (volatility, discount rate and share price).

4. Accounting impact of the Business Combination

Following the successful completion of the Business Combination with Odyssey on 22 April 2022, BenevolentAI became the new name of the holding company of the new BAI Group.

This Business Combination was achieved through the contribution of ordinary and preferred shares in BAI Ltd in exchange for new ordinary shares in BenevolentAI (previously Odyssey), the result being that the new BAI Group became listed on the Euronext Amsterdam stock exchange.

As discussed in note 2.14, the Business Combination between BAI Ltd and Odyssey was accounted for as a capital reorganisation under IFRS 2 "Share-based Payment". Accordingly, the Transaction was treated as the equivalent of BAI Ltd issuing shares at the closing of the Business Combination for the net assets of Odyssey as at the Closing date. The excess of the fair value of consideration for Odyssey over the fair value of its identifiable net assets acquired represents a compensation for the service of a stock exchange listing for its shares and expenses as incurred. This leads to a non-cash listing service SBP expense of £83.1 million, determined under IFRS 2 and recognised in administrative expenses.

4. Accounting impact of the Business Combination continued

As at Closing date, the fair value of BAI Ltd's shares that were deemed to be issued to Odyssey amounted to £88.3 million, based on the initial closing price of shares of Odyssey according to the table below. In return, BenevolentAI received Odyssey's listing service and its net assets, equal to £5.2 million, which mainly consisted of remaining cash net of redemptions and liabilities related to the warrants, resulting in a total non-cash listing service SBP expense of £83.1 million to administrative expenses.

	Fair value in £m
Class A shares (4.9 million shares at £8.22 per share)	40.0
Class B shares 2/3 (5 million shares at £8.22 per share)	41.1
Class B shares 1/3 (2.5 million shares at £2.87 per share)	7.2
BAI Ltd's shares deemed issued	88.3
Less Odyssey's net assets	(5.2)
IFRS 2 non-cash listing service SBP expense	83.1

Odyssey's net assets at Closing, excluding the gross proceeds of €136.1 million (£113.0 million) from PIPE Financing, of which £9.5 million was non-cash consideration; €40 million (£33.2 million) backstop; and the £11.3 million of expenses related to them:

	Fair value in £m at Closing
Cash	41.6
Prepayments and other debtors	0.2
Accruals and trade creditors	(18.5)
Warrants at fair value	(18.1)
Net assets acquired	5.2

The warrants acquired represent the fair value of the 10,000,000 class A warrants and 6,600,000 class B warrants at the Closing date, assessed using significant observable market inputs.

In conjunction with the Transaction, Odyssey entered into subscription agreements with investors ("PIPE Investors") in a Private Investment in Public Equity transaction (the "PIPE Financing") in the aggregate amount of €136.1 million (£113.0 million). In return for their investment, the PIPE Investors received a total of 13,613,394 additional Odyssey Class A shares. An equity back stop facility for €40 million (£33.2 million) resulted in a further issuance of 4,000,000 ordinary shares were also issued (see note 29). This resulted in a total consideration of £146.2 million across the equity PIPE and Backstop, of which £136.7 million was received as cash.

Prior to closing, as consistent with the original public share offering by Odyssey, a total of 25.1 million ordinary shares with an agreed redemption price of €9.96 per share were redeemed for cash by eligible ordinary shareholders, following the redemption process. These are currently held as treasury shares. The redemption payable of €250.3 million (£207.8 million) was paid by Odyssey prior to Transaction close.

As part of the capital reorganisation, BAI Ltd's share capital was exchanged for shares in Odyssey of £75k, being 90 million shares at a par value of €0.001. This capital reorganisation reflects the transition of the share capital and share premium from BAI Ltd to BenevolentAI. This results in a decrease within share capital of £0.2 million from the old share capital (par value of £0.10) with an increase of £584.5 million reflecting the share premium as recorded by Odyssey in the share for share exchange. The book value accounted for on consolidation is reflected through a corresponding charge to merger difference of £579.1 million, such that the net impact to equity of £5.2 million is equal to the net assets acquired of £5.2 million.

See note 29 for further details of the share for share exchange.

5. Revenue

We initially recognise income under the AstraZeneca collaborations as deferred revenue, which we become entitled to recognise as revenue in line with the delivery efforts towards the completion of tasks and provision of the deliverables set out in the agreements governing the AZ collaborations. For the year to 31 December 2022, this is represented by a revenue of £10.6 million (2021: £4.6 million).

Second AZ collaboration

Building on the success of the first collaboration, the relationship with AZ has been expanded into a new three-year partnership, starting 1 January 2022 and focusing on systemic lupus erythematosus (SLE) and heart failure (HF).

As the result of this collaboration, BenevolentAI received an upfront fee of $15 million (£11.8 million) in January 2022. As the result of the upfront fee, a total of £2.9 million deferred revenue is recognised as of 31 December 2022 (31 December 2021: £nil).

Management have determined that costs directly attributable to the collaboration agreements are immaterial, and consequently cost of sales has not been presented.

There is no related party revenue in the year to 31 December 2022 (year to 31 December 2021: £nil). See note 31 for related party information.

	2022 £'000	2021 £'000
By category:		
Collaboration revenue	**10,560**	4,625
	10,560	4,625

	2022 £'000	2021 £'000
By geographical market:		
UK	**10,560**	4,625
	10,560	4,625

Revenue recognised in relation to contract liabilities since the beginning of each year has been explored further in note 23.

6. Research and development expenditure

	2022 £'000	2021 restated £'000
Drug discovery	**47,601**	31,846
Included within drug discovery expenses:		
SBP expenses	**4,422**	4,717
Product and technology	**24,283**	25,070
Included within product & technology expenses:		
SBP expenses	**2,369**	5,107
	71,884	56,916

The majority of the expenditure in drug discovery is related to staff costs and advancement of the BenevolentAI pipeline into later stages. For product and technology, the majority is related to staff costs.

7. Reported operating loss

The following items have been included in arriving at the reported operating loss of continuing operations:

	Note	2022 £'000	2021 restated £'000
Listing service SBP expense arising from Transaction	4	**83,067**	—
Amortisation of intangible assets	15	**3**	12
Impairment of intangible assets	15	**—**	10,700
Decrease in fair value of investments	17	**491**	—
Depreciation of property, plant and equipment	16	**1,371**	1,472
Depreciation of right-of-use assets	18	**1,682**	1,459
Employee-related SBP expenses	28	**27,614**	51,390
Auditor's remuneration		**680**	1,008
Amounts receivable by the Group's auditor and its associates in respect of:			
Audit of these financial statements		**575**	87
Audit of financial statements of subsidiary companies		**41**	60
Taxation compliance services		**—**	125
Advisory costs related to non-audit services		**64**	—
Advisory costs related to the Transaction		**—**	736
		680	1,008

Auditor's remuneration in 2021 reflects that earned by the previous auditor.

8. Other income

	2022 £'000	2021 £'000
Grant income	**166**	90
	166	90

9. Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Research and development	**293**	256
Administration	**61**	53
	354	309

The aggregate payroll costs of these persons were as follows:

	Note	2022 £'000	2021 restated £'000
Wages and salaries		**32,900**	27,430
Equity-settled employee-related SBP charge	28	**33,818**	39,016
(Credit)/charge for social security provision in relation to equity-settled SBP	28	**(6,204)**	12,374
Social security costs		**3,804**	3,020
Contributions to defined contribution plans		**1,392**	1,081
		65,710	82,921

The Group operates a defined contribution pension plan. The total expense relating to this plan in the current year was £1,392k (2021: £1,081k). There was an accrual of £260k at 31 December 2022 (2021: £nil).

10. Finance income

	2022 £'000	2021 £'000
Interest income on bank deposits	**1,544**	52
Unwinding of rent deposits	**5**	4
Fair value revaluation of warrants	**17,737**	—
	19,286	56

Whilst the number of warrants in issue at the year end remains the same as at the Closing date, the fair value determined for each class has fallen significantly. This £17.7m fall in fair value, from the £18.1m acquired at the Closing date (per note 4) to the year end balance of £0.4m (per note 24), is represented as a credit to the consolidated statement of comprehensive income.

11. Finance expense

	2022 £'000	2021 £'000
Interest expense on lease liabilities	**417**	448
Interest expense on cash held	**80**	—
Bank fees	**42**	—
Change in fair value of settled forward contract	**1,565**	—
	2,104	448

12. Taxation

	2022 £'000	2021 restated £'000
Recognised in the consolidated statement of comprehensive income		
Current tax on income for the year	**15,924**	12,026
Deferred tax	**—**	2,033
Total tax credit	**15,924**	14,059
Reconciliation of effective tax rate		
Loss for the year before taxation	**(179,852)**	(121,714)
Tax using the UK corporation tax rate of 19% (2021: 19.00%)	**(34,172)**	(23,126)
Reversal of DT (rights to future income)	**—**	2,033
Surrender of tax losses for R&D tax credit refund	**4,946**	3,748
Additional deduction for R&D expenditure	**(11,820)**	(8,944)
R&D expenditure credits	**31**	17
Expenses not deductible for tax purposes	**23,770**	6,333
Deferred tax not recognised on trading losses	**1,311**	5,891
Fixed asset differences	**10**	(11)
Total tax refund included in accounts	**(15,924)**	(14,059)

A deferred tax asset of £53.7 million (2021: £50 million) has not been recognised due to uncertainties over future profitability. The amount of trading losses carried forward indefinitely where a deferred tax asset has not been recognised is £174.3 million (2021: £167.4 million).

The UK Corporation tax rate for year ended 31 December 2022 is 19% (2021: 19%). Deferred tax has been calculated using 25% (2021: 25%) as this is the corporation tax rate effective 1 April 2023, following the announcement in the Budget on 3 March 2021 which has been substantively enacted.

13. Loss per share

Loss per ordinary share has been calculated by dividing the loss attributable to equity holders of BenevolentAI after taxation for each financial period by the weighted average number of ordinary shares in issue during the financial period. The weighted average number of shares is calculated from the number of ordinary and preferred BenevolentAI shares in circulation at the beginning of the period adjusted by the number of ordinary shares issued during the period, alongside the impacts of the transaction and multiplied by a time-weighting factor. The time-weighting factor reflects the ratio of the number of days on which ordinary shares were issued and the total number of days of the period.

The G2 Growth Shares have been excluded as they do not attract dividends and were subsequently cancelled prior to the Transaction.

As the Business Combination is accounted for as if BAI Ltd has acquired Odyssey, the number of shares is adjusted to reflect the exchange ratio of the share for share exchange completed during the Transaction, such as to reflect the capital structure of the legal parent. In accordance with IAS 33, the calculation of the basic and diluted loss per share for all periods presented has been adjusted retrospectively due to these changes.

	Note	**2022 £'000**	2021 £'000
Basic and diluted loss per share, expressed in pence		**(150.2p)**	(119.8p)
Weighted average ordinary shares outstanding		**109,110,109**	89,885,143
Total loss for the year		**(163,928)**	(107,655)
Adjustments for:			
Non-normalised items within operating expenses	2.4	**102,436**	13,611
Fair value of warrants within finance income	10	**(17,737)**	—
Normalised total loss		**(79,229)**	(94,044)
Normalised basic and diluted loss per ordinary share		**(72.6p)**	(104.6p)

The dilutive shares and other instruments total 145,126,303 (2021: 90,012,909), where the conversion factor has been applied). See note 29 for further details. A loss, however, cannot be further diluted beyond the basic per share calculation. As such, the loss per share is an equal value for both a basic and diluted view.

14. Goodwill

	Goodwill £'000
Cost	
Balance at 1 January 2021	23,479
Balance at 31 December 2021	23,479
Balance at 1 January 2022	23,479
Balance at 31 December 2022	**23,479**
Net book value	
At 31 December 2021	23,479
At 31 December 2022	**23,479**

See note 3.1 for further details.

15. Intangible assets

	Rights to future income £'000	Software £'000	Total £'000
Cost			
Balance at 1 January 2021	10,700	66	10,766
Disposals	—	(20)	(20)
Balance at 31 December 2021	10,700	46	10,746
Balance at 1 January 2022	10,700	46	10,746
Disposals	—	(14)	(14)
Balance at 31 December 2022	**10,700**	**32**	**10,732**
Amortisation			
Balance at 1 January 2021	—	31	31
Amortisation	—	12	12
Impairment	10,700	—	10,700
Disposals	—	(20)	(20)
Balance at 31 December 2021	10,700	23	10,723
Balance at 1 January 2022	10,700	23	10,723
Amortisation	—	3	3
Disposals	—	(14)	(14)
Balance at 31 December 2022	**10,700**	**12**	**10,712**
Net book value			
At 31 December 2021	—	23	23
At 31 December 2022	**—**	**20**	**20**

Software

Modest balances relate to software intangibles representing domain names and software, all of which are integrated and fully used in the business and subject to amortisation. Management do not believe there to be any indicators of impairment for these items.

Rights to future income

Relates to a partial economic interest in an asset, impaired in the prior year due to significant uncertainty over future expected economic return.

16. Property, plant and equipment

	Lab equipment £'000	Leasehold improvement £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost					
Balance at 1 January 2021	2,454	1,954	1,901	676	6,985
Additions	706	6	179	34	925
Disposals	(40)	—	(444)	(13)	(497)
Balance at 31 December 2021	3,120	1,960	1,636	697	7,413
Balance at 1 January 2022	3,120	1,960	1,636	697	7,413
Additions	757	—	373	28	1,158
Disposals	(118)	—	(4)	—	(122)
Balance at 31 December 2022	**3,759**	**1,960**	**2,005**	**725**	**8,449**
Depreciation					
Balance at 1 January 2021	1,069	854	1,355	352	3,630
Depreciation charge	516	396	409	151	1,472
Disposals	(37)	—	(417)	(13)	(467)
Balance at 31 December 2021	1,548	1,250	1,347	490	4,635
Balance at 1 January 2022	1,548	1,250	1,347	490	4,635
Depreciation charge	615	394	230	132	1,371
Disposals	(115)	—	(3)	—	(118)
Balance at 31 December 2022	**2,048**	**1,644**	**1,574**	**622**	**5,888**
Net book value					
At 31 December 2021	1,572	710	289	207	2,778
At 31 December 2022	**1,711**	**316**	**431**	**103**	**2,561**

	2022 £'000	2021 £'000
Contracted capital commitments	**330**	—

17. Investments

	2022 £'000	2021 £'000
Investments	**1,892**	2,383

Unlisted investments

The Group's unlisted investments include 315,465 (2021: 315,465) ordinary £0.001 shares in Adarga Limited. The investment is carried at fair value of £1.9 million (2021: £2.4 million), being the value of the most observable recent price-setting transaction, which occurred during the year ended 31 December 2022. It is, therefore, classified as Level 2 in the fair value hierarchy defined under IFRS 13. As the result of this transaction, £491k (2021: £nil) was recognised in administrative expenses in the consolidated statement of comprehensive income.

18. Right-of-use assets

	Leasehold property £'000	Computer equipment £'000	Fixtures & fittings £'000	Total £'000
Cost				
Balance at 1 January 2021	11,933	20	20	11,973
Additions	—	—	21	21
Disposals	—	—	(20)	(20)
Balance at 31 December 2021	11,933	20	21	11,974
Balance at 1 January 2022	11,933	20	21	11,974
Additions	363	—	12	375
Disposals	—	—	—	—
Balance at 31 December 2022	**12,296**	**20**	**33**	**12,349**
Balance at 1 January 2021	3,290	8	15	3,313
Depreciation charge	1,448	4	7	1,459
Disposals	—	—	(20)	(20)
Balance at 31 December 2021	4,738	12	2	4,752
Balance at 1 January 2022	4,738	12	2	4,752
Depreciation charge	1,667	4	11	1,682
Disposals	—	—	—	—
Balance at 31 December 2022	**6,405**	**16**	**13**	**6,434**
Net book value				
At 31 December 2021	7,195	8	19	7,222
At 31 December 2022	**5,891**	**4**	**20**	**5,915**

19. Trade and other receivables

	2022 £'000	2021 £'000
Non-current		
Rent deposit	**—**	175
	—	175
Current		
Other receivables	**322**	400
Rent deposit	**187**	101
Accrued income	**563**	38
Other taxation and social security	**1,186**	1,185
Prepayments	**3,526**	2,197
	5,784	3,921

Notes to the financial statements continued

for the year ended 31 December

20. R&D tax credit receivable

	2022 £'000	2021 £'000
R&D tax credit receivable	**16,119**	12,150

21. Cash, cash equivalents and short-term deposits

	2022 £'000	2021 £'000
Cash and cash equivalents	**88,442**	40,553
Short-term deposits	**41,740**	—
	130,182	40,553

22. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	**3,578**	1,747
Taxation and social security	**964**	663
Other payables	**503**	19
Accruals	**9,832**	7,857
	14,877	10,286

23. Deferred income

	£'000
Balance at 1 January 2021	2,722
Additions during the year	1,314
Released to revenue	(4,005)
Balance at 31 December 2021	31
Balance at 1 January 2022	31
Additions during the year	13,143
Released to revenue	(10,300)
Balance at 31 December 2022	**2,874**

24. Warrants

	2022 £'000	2021 £'000
Warrants	**352**	—
	352	—

25. Lease liabilities

	2022 £'000	2021 £'000
Current		
Lease liabilities	**1,665**	1,593
	1,665	1,593
Non-current		
Lease liabilities	**5,688**	7,201
	5,688	7,201

	Note	2022 £'000	2021 £'000
Amount recognised in the consolidated statement of comprehensive income			
Depreciation expense on right-of-use assets	18	**1,682**	1,459
Interest expense on lease liabilities	11	**417**	448
		2,099	1,907

See note 26 for the cash flows related to the lease liabilities held in the year ended 31 December 2022, and note 30 for the contractual maturities of the lease liabilities in years to come.

26. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Lease liabilities £'000
Balance at 1 January 2021		10,328
Repayment of lease liabilities		(2,003)
Interest expense on lease liabilities	11	448
Additions	18	21
Balance at 31 December 2021		8,794
Current	25	1,593
Non-current	25	7,201
Balance at 1 January 2022		8,794
Repayment of lease liabilities		(2,233)
Interest expense on lease liabilities	11	417
Additions	18	375
Balance at 31 December 2022		**7,353**
Current	25	1,665
Non-current	25	5,688

27. Provisions

	Dilapidation on leased office premises £'000	Liquidation of Odyssey Acquisition B.V. £'000	Tax related to share-based payments £'000	Total £'000
Balance at 1 January 2021	—	—	—	—
Provision recognised	251	—	12,374	12,625
Balance at 31 December 2021	251	—	12,374	12,625
Current	—	—	11,076	11,076
Non-current	251	—	1,298	1,549
Balance at 1 January 2022	251	—	12,374	12,625
Provision acquired through Transaction	—	32	—	32
Additional provisions made/(released) during the year	73	—	(6,204)	(6,132)
Provision utilised	—	(29)	—	(29)
Balance at 31 December 2022	**324**	**3**	**6,170**	**6,497**
Current	324	3	5,544	5,871
Non-current	—	—	626	626

The dilapidation provision represents the Group's obligation to restore the leased premises to their original condition at the time of vacating the properties.

On 11 April 2022 (prior to the Closing date), Odyssey, by resolution of the General Meeting of Shareholders of its wholly-owned subsidiary Odyssey Acquisition Subsidiary B.V. ("Odyssey Subsidiary"), put Odyssey Subsidiary into voluntary liquidation. A provision was recognised for the estimated liquidation costs to be incurred following this decision and formed part of the net assets deemed to be acquired by BAI Ltd as part of the Transaction (see note 4).

The provision related to the employer tax arising from share-based payments arises in-line with the relative portion of fair value charged for each tranche as at the balance sheet date under the two share incentive schemes, as a function of the share price and prevailing tax rates. The non-current portion relates to tranches which have an expected vesting date greater than twelve months from year end. These two share incentive schemes are discussed further in note 28.

28. Employee-related share-based payments (SBP)

28.1 BenevolentAI Equity Incentive Scheme (BEIS)

Prior to the Closing date, the Group under BAI Ltd operated the BEIS, wherein all employees were offered options or restricted stock units (RSUs) upon joining. RSUs operate in such a way as to give the same economic benefit as options, reflecting the requirements of certain jurisdictions.

This scheme is now in run off since the Transaction Closing date, effectively closed to new entrants and with vesting continuing for awards already granted. For holders of awards under the BEIS, these were transferred at the Closing date, from being for shares in BAI Ltd to now being exercisable for BAI shares. This transfer was carried out on the same basis as with the share for share exchange as determined in the Business Combination agreement, maintaining the fair value held by the BEIS participants.

Options and RSUs have been adjusted based on the ratio of 1 BAI Ltd ordinary and A preferred share into approximately 38.4930 BenevolentAI ordinary shares, as determined in the Business Combination agreement as part of the share for share exchange. Correspondingly, the exercise price has been divided by the same ratio, such that the fair value charge remains consistent. The comparative information presented in this note has been adjusted retrospectively for this conversion, where applicable.

During the year ended 31 December 2022, 1,423,351 options and 75,793 RSUs were granted to employees and others under the BEIS for BAI, all prior to the Closing date. 1,077,485 options and 93,974 RSUs under the BEIS were forfeited over the course of the year. No options were exercised, nor RSU agreements settled, during the year. Post-Closing date, this scheme is now in run-off with no further grants to be made as part of the scheme.

28. Employee-related share-based payments (SBP) continued

28.2 Long Term Incentive Plan (LTIP)

Prior to the Closing date, options or RSUs had been awarded under the BEIS. Since then, however, a new equity incentive scheme was arranged, being the LTIP established on 27 July 2022. Under the LTIP, RSUs and performance stock units (PSUs) are granted to eligible employees and may be subject to one or more performance conditions.

During the year, 980,123 RSUs and 815,282 PSUs were granted under the LTIP. 23,716 RSUs and 12,108 PSUs were forfeited due to the grantees no longer being employed by the Group or forfeiting their options.

	BEIS (pre-conversion)[1]		BEIS (post-conversion)		LTIP	
Equity awards held in BenevolentAI	Number of Awards	Weighted average exercise price (£)	Number of Awards	Weighted average exercise price (£)	Number of Awards	Weighted average exercise price (£)
Awards outstanding at 1 January 2021	229,627	36.6	8,839,032	1.0	—	—
Granted in the year	289,317	0.1	11,136,679	0.0	—	—
Exercised during the year	—	—	—	—	—	—
Lapsed/forfeited during the year	(24,207)	266.6	(931,800)	6.9	—	—
Outstanding at 31 December 2021	494,737	4.0	19,043,911	0.1	—	—
Exercisable at 31 December 2021	—	—	—	—	—	—
Outstanding at 1 January 2022			19,043,911	0.1	—	—
Granted in the year			1,499,144	0.0	1,795,405	—
Exercised during the year			—	—	—	—
Lapsed/forfeited during the year			(1,171,459)	0.2	(35,824)	—
Outstanding at 31 December 2022			**19,371,596**	**0.1**	**1,759,581**	**—**
Exercisable at 31 December 2022			**—**	**—**	**—**	**—**

1. The weighted average exercise price for awards outstanding at 31 December 2021 has been aligned with the opening equivalent in 2022, following the change in methodology explained in note 28.4.

For BEIS awards outstanding at the year end, the average weighted time to exercise or settlement is 0.4 years. For the LTIP awards, this is equal to 2.0 years.

28.3 IFRS 2 valuation

The fair value of services received in return for share awards granted are measured by reference to the fair value of goods or services received or reference to the fair value of share awards granted.

Black-Scholes

As permitted under IFRS 2, the Black-Scholes model has been used to calculate the fair value of each award granted under the BEIS at the date of grant, as well as for all RSUs under the LTIP. For PSUs granted under the LTIP, the Black-Scholes model has been utilised for the portion not subject to market vesting conditions.

To calculate the fair value of share options using the Black-Scholes model, the assumptions in the following table have been used. As the Group grants new equity awards at regular intervals, the weighted average of outstanding awards at the end of the financial year has been disclosed.

The following assumptions were used in the Black-Scholes model in calculating the fair values of the awards granted under each scheme during the year:

	BEIS		LTIP	
Weighted average for awards granted during the year	**2022**	2021	**2022**	2021
Market value at date of grant	**£5.22**	£5.23	**£3.53**	—
Exercise price at grant date	**£0.1**	£0.1	**—**	—
Volatility	**60%**	60%	**50%**	—
Time to exercise (years)	**1.79**	1.68	**1.9**	—
Risk-free rate	**0.97%**	0.19%	**1.88%**	—
Employee turnover	**12%**	12%	**11%**	—

28. Employee-related share-based payments (SBP) continued

28.3 IFRS 2 valuation continued

Black-Scholes continued

For BEIS awards granted during each year, the grant dates and corresponding vesting end dates reflect the wide and varied range in dates in which the participants joined the Group. For LTIP awards, these are typically done on a quarterly basis. Awards made under either scheme have an expiry term of either seven or ten years.

The weighted average market value at date of grant and corresponding exercise price are subject to and divided by the same conversion factor arising from the share for share exchange. The model inputs for each award are static from the point of grant onwards, with the weighted average, adjusted for the conversion factor above, otherwise moving only when awards made are no longer outstanding.

The expected volatility been assessed with reference to a benchmark of industry comparators, given BAI's relatively recent introduction to public markets. The expected period to exercise is based upon the date at which the service condition for each tranche in each award is met. The risk-free rate is based on the Bank of England's estimates of gilt yield curve as at each respective grant date.

Monte Carlo Simulations

The portion of each PSU under the LTIP which relates to market vesting conditions carries a separate fair value, determined using the Monte Carlo Simulation model.

The inputs into the Monte Carlo Simulation model for awards issued during the year were as follows:

	LTIP	
Weighted average for awards granted during the year	**2022**	2021
Market value at date of grant	**£5.5**	—
Exercise price at grant date	**—**	—
Volatility	**50%**	—
Time to exercise (years)	**2.7**	—
Risk-free rate	**1.77%**	—

The Monte Carlo Simulation model has been used to value the portion of the awards which have a market performance vesting condition (achievement of a target company valuation). The model incorporates a discount factor reflecting this performance condition into the fair value of this portion of the award. The weighted average fair value of awards granted during the year determined using the Monte Carlo Simulation model at the grant date was £5.47 (2021: £nil) per award.

The volatility assumption has been derived as the median volatility over a five-year period of a bespoke comparator group. For options granted during 2022, the expected life represents the term until expected vesting and exercise. The risk-free interest rate used reflects the UK Government 5-year Gilt rate as reported by the Bank of England.

Employee-related share-based payment	**2022 £'000**	2021 restated £'000
SBP expenses	**30,249**	39,016
Transaction-related SBP expenses	**3,569**	—
	33,818	39,016
(Credit)/charge for social security provision in relation to equity-settled SBP	**(6,518)**	12,374
Transaction-related social security provision in relation to SBP	**314**	—
	(6,204)	12,374

28. Employee-related share-based payments (SBP) continued

28.3 IFRS 2 valuation continued

Monte Carlo Simulations continued

Under local jurisdiction tax law, the Group must withhold an amount for an employee's tax obligation associated with a share-based payment compensation earned in a given period and transfer that amount in cash to the tax authority on the employee's behalf. For the RSUs and options granted under the Group's scheme, a sell-to-cover feature will be undertaken on behalf of the scheme participants, which sells the requisite number of shares in order to settle the employee's tax obligations. There are also net settlement provisions included at the discretion of the Board in the scheme rules. Once the sell-to-cover arrangement is completed on behalf of the participant, the realised proceeds would be given to the Company to settle to any participant tax obligation mechanically via payroll. The remaining shares on settlement or exercise would be placed on a net basis into a participant custody account. If all of the RSUs and Options outstanding as at 31 December 2022 were to be settled or exercised, the Group would be required to pay approximately £6.2 million to the taxation authority in relation to employer related social security taxes.

28.4 Restatement

The Group has re-assessed the fair value (FV) charging methodology for the BEIS, identified as a result of the Business Combination, reflecting the scheme's trigger event. Historic FV allocation was to spread straight line over the award's overall service period, rather than via a tranching approach. The fair value of each of these vesting tranches is now recognised in the consolidated statement of comprehensive income on a straight-line basis over the longer of either the time until that tranche's service condition is met or the trigger event takes place (the "vesting period"). Prior estimates around each tranche's vesting period, using the award's overall service period as a proxy, were in many instances too long, meaning that the FV allocation was spread over a longer period than transpired. Indicators during 2021 would suggest that the re-assessment of the FV allocation over the period until trigger should have taken place in 2021, with the respective charges pulled back into the restated period.

The error and subsequent correction, presented through the 2021 primary financial statements is detailed below:

	2021		
	Previously reported £'000	Prior period adjustments £'000	Restated £'000
Consolidated statement of comprehensive income			
Research and development expenses	(51,750)	(5,166)	(56,916)
Administrative expenses	(53,116)	(16,005)	(69,121)
Basic and diluted loss per ordinary share	(96.2p)		(119.8p)
Consolidated statement of financial position as at 31 December			
Current provisions balance	10,391	685	11,076
Non-current provisions balance	251	1,298	1,549
Share-based payment reserve	67,666	19,188	86,854
Accumulated losses	(271,001)	(21,171)	(292,172)

29. Shareholdings

29.1 Share for share exchange

The table, including a comparative, reflects the shares in issue for BAI Ltd as the accounting acquirer of Odyssey (now BenevolentAI) and the subsequent consolidated impact of the share for share exchange, the impact of the redemption, equity PIPE Financing and equity Backstop facility for BenevolentAI, as the legal Parent and listed entity. Following the cancellation of the G2 Growth shares by BAI Ltd, the Transaction involved the contribution of 2,338,423 existing BAI Ltd shares held by BAI Ltd shareholders against the issuance of new ordinary shares at an assumed price of €10.00 per share, adjusted based on the ratio of 1 BAI Ltd share (Ordinary & A Preference) into approximately 38.4930 ordinary shares.

	BenevolentAI Limited (£0.10 par value)				BenevolentAI (€0.001 par value)			
	Ordinary shares	A Preference shares	G2 Growth shares	Total	Ordinary shares	Sponsor shares[1]	Treasury shares[1]	Total
As at 1 January 2021	1,831,829	471,059	87,984	2,390,872				
Issued for cash	—	35,535	—	35,535				
As at 31 December 2021	1,831,829	506,594	87,984	2,426,407				
As at 1 January 2022	1,831,829	506,594	87,984	2,426,407				
Odyssey shares in issue prior to the Transaction	—	—	—	—	30,000,000	7,500,000	—	37,500,000
Redemptions	—	—	—	—	(25,137,581)	—	25,137,581	—
Equity Backstop facility	—	—	—	—	4,000,000	—	—	4,000,000
Cancellation of growth shares	—	—	(87,984)	(87,984)	—	—	—	—
Capital reorganisation	(1,831,829)	(506,594)	—	(2,338,423)	90,012,909	—	—	90,012,909
Equity PIPE Financing	—	—	—	—	13,613,394	—	—	13,613,394
Conversion of two-thirds of Sponsor shares	—	—	—	—	5,000,000	(5,000,000)	—	—
Shares in issue as at 22 April 2022 and 31 December 2022	**—**	**—**	**—**	**—**	**117,488,722**	**2,500,000**	**25,137,581**	**145,126,303**

1. The unconverted sponsor shares, and the treasury shares, do not form part of the Basic total number of ordinary shares outstanding. The sponsor shares derive their economic rights from their conversion to ordinary shares. The redemptions by ordinary shareholders ahead of the Closing date were transferred into treasury to be subsequently used to satisfy equity awards or be cancelled.
2. The Capital reorganisation shows the impact of the share for share exchange on the BAI Ltd ordinary and preferred A shares in existence at closing, subject to an exchange ratio of approximately 38.4930.

29.2 Share capital

As at 31 December 2022, the Company's share capital comprised:

	Number of shares authorised	Nominal Value €	Number of shares issued and fully paid	Aggregate nominal value £
Ordinary shares	**205,544,124**	**0.001**	**117,488,722**	**97,574**
Sponsor shares	**2,500,000**	**0.001**	**2,500,000**	**2,076**
	208,044,124		**119,988,722**	**99,650**
Treasury shares[1]		**0.001**	**25,137,581**	**-1**
	208,044,124		**145,126,303**	**99,650**

1. The treasury shares issued and fully paid form part of the total of ordinary shares authorised and, therefore, do not require separate authorisation. Under IAS 32, their nominal value (€0.001) in aggregate is not recognised as part of the Group's equity until such a time they are not owned by the Group itself.

29. Shareholdings continued

29.2 Share capital continued

As at 31 December 2021, the share capital of BAI Ltd, legal parent of the Group prior to the Closing date, comprised:

Allotted, called up and fully paid	Nominal Value £	Number of shares issued and fully paid	Aggregate nominal value £
Ordinary shares	0.10	1,831,829	183,183
A Preference shares	0.10	506,594	50,660
G2 Growth shares	0.10	87,984	8,798
		2,426,407	242,641

30. Financial instruments

The measured values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	Note	**Carrying amount 2022 £'000**	Carrying amount 2021 £'000
Financial assets			
Financial assets measured at fair value			
Investment	17	**1,893**	2,383
Financial assets measured at amortised cost			
Cash and cash equivalents	21	**88,442**	40,553
Short-term deposits	21	**41,740**	—
Trade and other receivables	19	**1,072**	539
Total financial assets		**133,147**	43,475
Financial liabilities			
Financial liabilities measured at fair value			
Warrants	24	**352**	—
Financial liabilities measured at amortised cost[1]	22	**13,914**	9,636
Total financial liabilities		**14,266**	9,636

1. The 2021 comparative has been aligned with the basis used in 2022, no longer including the social security tax liability arising on equity-settled SBP.

Where financial asset and liabilities are measured at amortised cost, this is considered an approximation to their underlying fair value.

Risk Management

The Group's principal financial instruments comprise cash at bank, trade payables and other receivables and the main purpose of these financial instruments is to facilitate the Group's operations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, short-term deposits and investment securities.

The Group currently does not have a provision for bad debt based on historic and current experience with relevant parties. Exposure to expected credit losses is, therefore, expected to be nil. See note 2.15 for further details.

The Group addresses institution risk as part of its treasury activities, with cash, cash equivalents and short term deposits spread across a number of banks. Following the collapse of Silicon Valley Bank in March 2023, this approach has been validated. The Group, while holding funds with the Bank, would not have been exposed in terms of day to day operations or in terms of access to liquid funds. The Group did not experience any defaults on deposits and, through resolution measures both in the US and UK, does not anticipate any expected credit losses as a result.

30. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they come due. The Group expects to meet its financial obligations through operating and financing cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

		Contractual cash flows				
31 December 2022	**Carrying amount £'000**	**Total £'000**	**1 year or less £'000**	**1 to <2 years £'000**	**2 to <5 years £'000**	**5 years and over £'000**
Non-derivative financial liabilities						
Trade and other payables	**13,914**	**13,914**	**13,914**	**—**	**—**	**—**
Lease liabilities	**7,353**	**8,830**	**1,996**	**1,801**	**1,599**	**3,434**

31 December 2021	Carrying amount £'000	Total £'000	1 year or less £'000	1 to <2 years £'000	2 to <5 years £'000	5 years and over £'000
Non-derivative financial liabilities						
Trade and other payables	9,623	9,623	9,623	—	—	—
Lease liabilities	8,794	10,214	2,003	1,848	4,415	1,948

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group does not have any exposure to interest rate risk nor changes in quoted equity prices, but it is exposed to foreign exchange rates.

Foreign currency risk

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments except derivatives when it is based on notional amounts.

31 December 2022	**Euro £'000**	**US Dollar £'000**	**British Pound £'000**	**Total £'000**
Cash and cash equivalents	**3,230**	**4,719**	**80,493**	**88,442**
Short-term deposits	**3,861**	**2,479**	**35,400**	**41,740**
Trade payables	**(1,030)**	**(665)**	**(1,883)**	**(3,578)**
Net exposure	**6,061**	**6,533**	**114,010**	**126,604**

31 December 2021	Euro £'000	US Dollar £'000	British Pound £'000	Total £'000
Cash and cash equivalents	398	1,107	39,048	40,553
Trade payables	(191)	(14)	(1,542)	(1,747)
Net exposure	207	1,093	37,506	38,806

A 10% weakening of the following currencies against the Pound Sterling at 31 December 2022 would have increased profit or loss before taxation by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for 31 December 2021.

Sensitivity analysis	**2022 £'000**	2021 £'000
€	**(606)**	(21)
$	**(653)**	(109)

30. Financial instruments continued

Bank credit ratings

The Group cash balances are held with bank and financial institution counterparties, which are rated investment grade or above (Moody's Long term - Baa3, Short term - P-3), based on credit ratings as at 31 December 2022, which is at minimum a positive outlook. Its cash equivalents balance is held in AAA rated liquidity funds. The Group considers that its cash and cash equivalents and short-term deposits have low credit risk based on the external ratings.

31. Related party transactions

Identity of related parties with which the Group has transacted

During the year, the Group paid £nil contractor fees to Lisciad Limited (2021: £31k), a company under common control. At the year end, BAI Ltd owed £nil (2021: £nil) to Lisciad Limited.

Transactions with key management personnel (KMPs)

The renumeration of the KMPs of the Group, defined as the Board of Directors inclusive of CEO, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures:

	2022 £'000	2021 £'000
Annual fees/salaries	**1,032**	662
Bonus	**280**	233
Equity-settled employee-related SBP charge	**12,912**	22,918
(Credit)/charge for social security provision in relation to equity-settled SBP	**(3,953)**	6,657
Social security costs	**133**	99
Benefits, including pension	**34**	13
	10,438	30,582

Remuneration of KMPs include remuneration paid by subsidiary undertakings in the current and prior financial years. Further disclosure related to remuneration of KMPs is included in the Remuneration Committee report.

Other related party transactions

There were no provisions for uncollectible receivables and bad debts expense recognised in the year in relation to related parties and no payables outstanding at 31 December 2022 or 31 December 2021.

32. Subsequent events

There are no subsequent events to report.

Management report

for the year ended 31 December 2022

The Board of Directors (the "Board") of BenevolentAI (hereafter the "Company") submits its management report with the annual accounts of the Company for the year ended 31 December 2022.

1. Overview

BenevolentAI (the "Company", formerly Odyssey Acquisition S.A., now BenevolentAI) was incorporated on 1 June 2021 in Luxembourg and is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, in abbreviated "RCS"). The Company's corporate purpose, initially setup as a special purpose acquisition company ("Odyssey SPAC"), was the acquisition of a business with principal business operations in Europe or in another geographic area, that is based in the healthcare sector or the TMT (technology, media, telecom) sector or any other sectors through a merger, share exchange, asset acquisition, share repurchase, reorganization or similar transaction (the "Business Combination").

On 22 April 2022 ("Closing date"), Odyssey SPAC and BenevolentAI Limited completed a Business Combination ("Transaction") by way of contribution of all shares in BenevolentAI Limited into Odyssey SPAC in exchange for Odyssey SPAC issuing new ordinary shares. Following the Transaction, Odyssey Acquisition S.A. became the ultimate holding company of the BAI Group and was renamed BenevolentAI.

Following the Transaction, the Company's purpose is the holding, management, development and disposal of participations and any interests in companies in any form whatsoever. The Company's particular current focus is on AI-related technology and drug discovery in the life sciences sector.

2. Review and development of the Company's business, financial performance and financial position

As at 31 December 2022, the Company, a listed entity, has 117,488,722 Class A shares and 10,000,000 Class A warrants traded in Euronext Amsterdam N.V. ("Stock Exchange") under the symbol "BAI" and "BAIW", respectively. The Company also has 25,137,581 Class A Shares categorised as own shares. The Company also has 2,500,000 Class B shares and 6,600,000 Class B warrants issued and outstanding as at 31 December 2022 that are not listed on a stock exchange. Details over equity instruments rights and obligations are disclosed in note 5 of the Company's annual accounts.

In conjunction, but independent of, the shareholder vote and approval to conclude the Transaction, certain Odyssey Acquisition S.A. shareholders elected to redeem 25,137,581 ordinary shares for GBP 207.8 million cash prior to closing, as part of the redemption feature of the Class A shares. Post-Closing, the redemption features of the shares drop away. These shares remain listed and are held in a Company-own custody account as at 31 December 2022. See note 5.

Financial performance highlights.

The loss of the Company for the year ended 31 December 2022 was GBP 693.6 million, mainly driven by the value adjustment of the Company's investment in its wholly-owned subsidiary BenevolentAI Limited (GBP 528.2 million) and value adjustment of the Company's investment in its own shares (GBP 129.8 million), due to a decrease in the Group's share price.

There are no specific performance indicators applicable only to the Company's performance beyond those described above. The financial performance highlights of the Group and key performance indicators, which also includes that of the Company post-Transaction closing, are discussed in detail on pages 39 to 41 of the Annual Report.

Financial Position

The Company's main asset in the annual accounts refer to its investment in BenevolentAI Limited (100% ownership), arising from the Transaction and subsequent contribution from capital secured through the Transaction. An investment in own shares is also reflected in the balance sheet as a result of the redemption discussed earlier.

Future Development

The future development of the Group and, as supported and enabled by the Company, is described on pages 20 and 21 of the Annual Report.

Activities in the Field of Research and Development

While research and development activities are a core focus of the Group, the Company has not undertaken any such activities itself in the year ended 31 December 2022 or prior.

3. Principal risks and uncertainties

The Group, inclusive of the Company, has analysed the risks and uncertainties to its business, and the Board has considered their potential impact. These are discussed at length, with accompanying mitigants and approaches to further embedding the enterprise-wide risk management framework are discussed on pages 42 to 45 of the Annual Report.

4. Corporate Governance statement

The Company is subject to and complies with the relevant applicable laws and regulations, including the Luxembourg Law of 10 August 1915 on commercial companies as amended, and the regulations applied by the Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the relevant applicable laws and regulations, including the Luxembourg Law of 10 August 1915 on commercial companies as amended, and the regulations applied by the Stock Exchange. Governance activities of the Group are discussed in detail in the Governance Section of the Annual Report.

5. Risk management and internal controls

The Company's approach to risk management and internal controls is consistent with that applied to the BenevolentAI Group and is detailed in the Annual Report on pages 42 to 55.

6. Financial risk management objectives and policies

As at 31 December 2022, the Company had GBP 7.9 million in cash at bank and in hand. The Company had a net equity of GBP 0.4 billion as at 31 December 2022. The Financial Risk management activities for the Company are the same as those operated for the Group as a whole and are discussed on pages 42 to 45 of the Annual Report.

7. Annual Accounts of BenevolentAI

The Annual Accounts of BenevolentAI are shown on pages 112 to 132. These were prepared in accordance with Luxembourg's legal and regulatory requirements and using the going concern basis of accounting described above.

The loss for the year ended 31 December 2022 was GBP 693.6 million, mainly driven by the value adjustment of the Company's investment in its wholly-owned subsidiary BenevolentAI Limited (GBP 528.2 million) and value adjustment of the Company's investment in its own shares (GBP 129.8 million), due to a decrease in the Group's share price. It is proposed that the loss for the year ended 31 December 2022 will be allocated to the profit and loss brought forward at 1 January 2023. At 31 December 2022, the Company had no distributable amounts, as defined by Luxembourg law.

8. Take-over directive

Disclosures in respect of significant shareholdings of 5% or more of the voting rights in the Company are included in the Annual Report on page 52.

On behalf of the Board of Directors of the Company:

Joanna Shields
Chief Executive Officer
20 March 2023

Responsibility statement by the Board of Directors

for the year ended 31 December 2022

The Board of Directors of the Company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the Company with reasonable accuracy at all times and to ensure that an appropriate system of internal controls is in place to ensure that the Company's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of 11 January 2008 on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, the Board of Directors of the Company declare that, to the best of their knowledge, the audited annual accounts of the Company for the year ended 31 December 2022, prepared in accordance with Luxembourg legal and regulatory requirements, give a true and fair view of the assets, liabilities, financial position of the Company as of that date and results of the Company for the year then ended. In addition, the management report includes a fair review of the development and performance of the Company's business operations during the year and of principal risks and uncertainties, where appropriate, faced by the Company, as well as other information required by the Article 68 ter of the law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended.

On behalf of the Board of Directors of the Company:

Dr. François Nader
Chair
20 March 2023

Joanna Shields
Chief Executive Officer
20 March 2023

Independent auditor's report

to the Board of Directors of BenevolentAI

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of BenevolentAI S.A. (the "Company") as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2022;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

Independent auditor's report continued

to the Board of Directors of BenevolentAI

Report on the audit of the annual accounts continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Annual Report including the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (ESEF Regulation).

Report on the audit of the annual accounts continued

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the annual accounts have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Independent auditor's report continued

to the Board of Directors of BenevolentAI

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

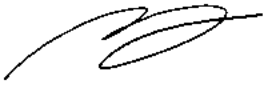
We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 30 June 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We have checked the compliance of the annual accounts of the Company as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 31 December 2022, identified as BenevolentAI-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Represented by



Andrei Chizhov
PricewaterhouseCoopers, Société coopérative
Luxembourg
20 March 2023

Balance sheet

as at 31 December

(in thousands of Pounds Sterling (GBP))	Note	2022	2021 restated[1]
Assets			
C. Fixed assets		**364,774**	248,317
III. Financial assets	3	**364,774**	248,317
1. Shares in affiliated undertakings		**364,774**	248,317
D. Current assets		**86,008**	2,068
II. Debtors	4	**17**	100
2. Amounts owed by affiliated undertakings		**—**	100
a) becoming due and payable within one year		**—**	100
4. Other debtors		**17**	—
a) becoming due and payable within one year		**17**	—
III. Investments	4	**78,046**	—
2. Own shares		**78,046**	—
IV. Cash at bank and in hand	6	**7,945**	1,968
E. Prepayments		**1,154**	512
Total assets		**451,936**	250,897
Capital, reserves and liabilities			
A. Capital and reserves	5	**449,788**	249,883
I. Subscribed capital		**120**	31
II. Share premium account		**1,071,562**	256,178
IV. Reserves		**79,117**	1,071
2. Reserve for own shares		**78,046**	—
4. Other reserves, including the fair value reserve		**1,071**	1,071
b) other non-available reserves		**1,071**	1,071
V. Profit or loss brought forward		**(7,397)**	—
VI Profit or loss for the financial year		**(693,614)**	(7,397)
C. Creditors	7	**2,148**	1,014
4. Trade creditors		**384**	1,013
a) becoming due and payable within one year		**384**	1,013
6. Amounts owed to affiliated undertakings		**1,752**	—
a) becoming due and payable within one year		**1,752**	—
8. Other creditors		**12**	1
a) Tax authorities		**8**	—
c) Other creditors		**4**	1
i) becoming due and payable within one year		**4**	1
Total capital, reserves and liabilities		**451,936**	250,897

1. Restatement for change in functional currency from Euro to Pound Sterling during 2022, as outlined in note 2.2.

Profit and loss account

for the year ended 31 December

(in thousands of GBP)	Note	Year ended 31 December 2022	Period from 1 June 2021 to 31 December 2021
4. Other operating income		**122**	—
5. Raw materials and consumables and other external expenses	8	**(30,779)**	(6,503)
b) Other external expenses		**(30,779)**	(6,503)
8. Other operating expenses	9	**(1,652)**	(131)
11. Other interest receivable and similar income	10	**1,344**	—
b) Other interest and similar income		**1,344**	—
13. Value adjustments in respect of financial assets and of investments held as current assets	3, 4	**(657,983)**	(761)
14. Interest payable and similar expenses		**(918)**	(2)
a) Concerning affiliated undertakings	3	**(424)**	—
b) Other interest and similar expenses	11	**(494)**	(2)
16. Profit or loss after taxation		**(689,866)**	(7,397)
17. Other taxes not shown under items 1 to 16	12	**(3,748)**	—
18. Profit or loss for the financial year		**(693,614)**	(7,397)

1. General

BenevolentAI (the "Company", formerly known as Odyssey Acquisition S.A. or "Odyssey", now BenevolentAI) was incorporated on 1 June 2021 as a public limited liability company (Société Anonyme or "S.A.") based on the laws of the Grand Duchy of Luxembourg ("Luxembourg") for an unlimited period. The Company is registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés, in abbreviated "RCS") under the number B255412, and its registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company is a listed entity with its 142,626,303 Class A shares ("Ordinary shares") listed on Euronext Amsterdam N.V. under ISIN LU2355630455, of which 25,137,581 are composed of own shares (see note 5.1). The Company has 10,000,000 Class A warrants ("Public warrants") traded under ISIN LU2355630968.

The Company also has 2,500,000 Class B shares ("Sponsor shares") and 6,600,000 Class B warrants ("Sponsor warrants") issued and outstanding as at 31 December 2022 that are not listed on a stock exchange.

The Company's corporate purpose, initially setup as a special purpose acquisition company, was the acquisition of a business with principal business operations in Europe or in another geographic area, based in the healthcare sector or the TMT (technology, media, telecom) sector or any other sectors through a merger, share exchange, asset acquisition, share repurchase, reorganization or similar transaction.

On 22 April 2022 (the "Closing date"), Odyssey and BenevolentAI Limited completed a Business Combination ("Transaction") by way of contribution of all shares in BenevolentAI Limited into Odyssey in exchange for Odyssey issuing new ordinary shares. Following the Transaction, Odyssey became the ultimate holding company of the BenevolentAI Group, and was renamed to BenevolentAI.

Following the Transaction, the Company's purpose shall be as from such time, the holding, management, development and disposal of participations and any interests, in Luxembourg or abroad, in any companies and/or enterprises in any form whatsoever. The Company may in particular acquire by subscription, purchase and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity in the Grand Duchy of Luxembourg and abroad and in particular entities active in the biotechnology sector. It may participate in the creation, development, management and control of any company and/or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin.

The Company may borrow in any form. It may issue notes, bonds and any kind of debt and equity securities. The Company may lend funds, including without limitation, resulting from any borrowings of the Company and/or from the issue of any equity or debt securities of any kind, to its subsidiaries, affiliated companies and/or any other companies or entities it deems fit.

The Company may further guarantee, grant security in favour of or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same group of companies as the Company. The Company may further give guarantees, pledge, transfer or encumber or otherwise create security over some or all of its assets to guarantee its own obligations and those of any other company, and generally for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any regulated activities of the financial sector without having obtained the required authorization.

The Company may use any techniques and instruments to manage its investments efficiently and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

The Company may, for its own account as well as for the account of third parties, carry out any commercial, financial or industrial operation (including, without limitation, transactions with respect to real estate or movable property) which may be useful or necessary to the accomplishment of its purpose or which are directly or indirectly related to its purpose.

The Company's current financial year runs from 1 January 2022 to 31 December 2022, except for the first financial period which ran from 1 June 2021 (date of incorporation) to 31 December 2021.

The Company also prepares consolidated financial statements which are published under International Financial Reporting Standards as adopted by the European Union, and in accordance with the European Single Electronic Format regulation.

2. Summary of significant accounting policies

2.1 Basis of preparation

These annual accounts have been prepared in accordance with the Luxembourg legal and regulatory requirements under the historical cost convention and on a going concern basis.

The accounting and valuation methods are determined and implemented by the Board of Directors, apart from the regulations of the law of 19 December 2002.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise significant judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present fairly the financial position and results.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Change in functional currency of the Company and comparative information

As of the Closing date, management reviewed the functional and presentation currency of the Company. The change in functional and presentation currency for the Company was made to reflect that Pound Sterling (GBP) has become the predominant operating currency for the Company, representing a significant part of its cash flows and its operating environment.

Unless otherwise stated, all amounts in the annual accounts are stated in thousands of GBP.

In line with this change, the comparative information for the year ended 31 December 2021 has been restated to GBP using the prevailing exchange rate as at the Closing date, equal to 0.8302, to ensure comparability. Below is the impact of the change in functional and presentation currency:

Balance sheet
As at 31 December 2021

	EUR	In thousands of GBP
Assets		
C. Fixed assets	299,103,687.63	248,317
III 1. Shares in affiliated undertakings	299,103,687.63	248,317
D. Current assets	2,491,386.75	2,068
II 2a) Amounts owed by affiliated undertakings becoming due and payable within one year	120,608.36	100
IV. Cash at bank and in hand	2,370,778.39	1,968
E. Prepayments	615,363.91	512
Total assets	302,210,438.29	250,897
Capital, reserves and liabilities		
Capital and reserves	300,989,625.07	249,883
I. Subscribed capital	37,500.00	31
II. Share premium account	308,572,500.00	256,178
IV. 4b) Other non-available reserves	1,290,000.00	1,071
VI. Profit or loss for the financial year	(8,910,374.93)	(7,397)
Creditors	1,220,813.22	1,014
4. Trade creditors becoming due and payable within one year	1,219,741.15	1,013
6a) Amounts owed to affiliated undertakings becoming due and payable within one year	1.00	—
8ai) Other creditors becoming due and payable within one year	1,071.07	1
Total capital, reserves and liabilities	302,210,438.29	250,897

2. Summary of significant accounting policies continued

2.2 Change in functional currency of the Company and comparative information continued

Profit and loss account

For period from 1 June 2021 to 31 December 2021

	EUR	In thousands of GBP
5. Raw materials and consumables and other external expenses	(7,834,120.16)	(6,503)
b) Other external expenses	(7,834,120.16)	(6,503)
8. Other operating expenses	(157,896.81)	(131)
13. Value adjustments in respect of financial assets and investments held as current assets	(916,313.37)	(761)
14. Interest payable and similar expenses	(2,044.59)	(2)
b) Other interest and similar expenses	(2,044.59)	(2)
16. Profit or loss after taxation	(8,910,374.93)	(7,397)
18. Profit or loss for the financial year	(8,910,374.93)	(7,397)

2.3 Foreign currency translation

The Company maintains its books and records in GBP.

Translation of foreign currency transactions

Foreign currency transactions are translated into GBP using the exchange rates prevailing at the dates of the transactions.

Translation of foreign currency balances as at the balance sheet date

- Financial assets denominated in currencies other than GBP are translated at the historical exchange rates.
- Other assets denominated in currencies other than GBP are translated at the lower of the exchange rate prevailing at the balance sheet date and historical exchange rate.
- Debts denominated in currencies other than GBP are translated at the higher of the exchange rate prevailing at the balance sheet date and historical exchange rate.
- Cash at bank and in hand denominated in currencies other than GBP are translated at the exchange rates prevailing at the balance sheet date.

As a result, realised exchange gains and losses and unrealised exchange losses are recorded in the profit and loss account. Unrealised exchange gains are not recognised unless they arise from cash at bank and in hand.

2.4 Other operating income

The Company's revenue is generated from service fees. This represents revenue from rendering services to affiliated undertakings and is recognised when the services are provided.

2.5 Interest income and expenses

Interest income and expenses are each recognised in the profit and loss account as they accrues on a timely basis, by reference to the principal outstanding and effective interest rate applicable.

2.6 Formation expenses

Formation expenses include costs and expenses incurred in connection with the incorporation of the Company and subsequent capital increases. Formation expenses are charged to the profit and loss account of the year in which they were incurred.

2.7 Financial assets

Shares in affiliated undertakings and investments held as fixed assets are recorded at acquisition cost including the expenses incidental thereto.

At the end of each accounting period, shares in affiliated undertakings are subject to an impairment review. Where a permanent diminution in value is identified, this diminution is recorded in the profit and loss account as a value adjustment.

2.8 Cash at bank and in hand

Cash at bank and in hand comprise cash at banks and on hand and highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. It also includes short-term deposits with a maturity greater than three months but less than twelve months.

2. Summary of significant accounting policies continued

2.9 Debtors

Debtors are recorded at their nominal value. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.10 Own shares

Own shares are valued at acquisition cost. These are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.11 Warrants

The Company has issued class A warrants and class B warrants, which are equity-settled instruments and are presented as part of Other reserves. When such warrants are expected to be equity settled, the Company does not book any provision to cover any surplus of the fair value of those warrants compared to the amounts booked in Other reserves, as the Company will not suffer any loss in relation to those warrants in the future.

2.12 Prepayment

Prepayments include expenditure items incurred during the financial year but relating to a subsequent financial year.

2.13 Provisions

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

2.14 Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable of a financial liability is higher than the amount of cash received upfront, the related repayment premium is shown in the balance sheet as an asset and is amortised over the period of the related debt on a straight-line method.

2.15 Expenses

Expenses are accounted for on an accrual basis.

2.16 Income tax

The Company is subject to income taxes in Luxembourg for the period up to the Closing Date of the Transaction, from which date the Company is subject to income taxes in the United Kingdom, from where the management of the business is undertaken after the Transaction.

3. Financial assets

Movements in financial assets during the year/period are as follows:

	Shares in affiliated undertakings £'000
Gross book value	
Opening balance at 1 June 2021	—
Additions	249,078
Balance at 31 December 2021	249,078
Disposals	(249,078)
Additions	893,007
Balance at 31 December 2022	**893,007**
Accumulated value adjustment	
Opening balance at 1 June 2021	—
Allocation of value adjustments for the period	(761)
Balance at 31 December 2021	(761)
Reversals of value adjustments for the year due to disposal	761
Allocation of value adjustments for the year	(528,233)
Balance at 31 December 2022	**(528,233)**
Net book value	
At 31 December 2021	248,317
At 31 December 2022	**364,774**

Disposals in the year

On 11 April 2022, the Company, by resolution of the General Meeting of Shareholders of its wholly-owned subsidiary Odyssey Acquisition Subsidiary B.V. ("Odyssey Subsidiary"), put Odyssey Subsidiary into voluntary liquidation. A corresponding loss on disposal of GBP (424) thousands has been recognised in the profit and loss account, under interest payable and similar expenses concerning affiliated undertakings.

3. Financial assets continued

Additions in the year

Additions for the year are represented by the new investment arising from the share-for-share exchange with BenevolentAI Limited, equal to GBP 747,292 thousands, and the capital contribution made in the subsidiary shortly after, equal to GBP 145,715 thousands.

The share-for-share exchange on the BenevolentAI Limited ordinary and preferred A shares at Closing date, equal to 2,338,423, for 90,012,909 to the new Ordinary shares in BenevolentAI, were subject to an exchange ratio of approximately 38.4930 based on the Business Combination agreement dated 6 December 2021. As a result, the Company recognised an investment in its wholly-owned subsidiary BenevolentAI Limited, amounting to GBP 747,292 thousands.

The capital contribution made by the Company into BenevolentAI Limited represents the transfer of surplus funds, equal to GBP 145,715 thousands, beyond those required by the Company for working capital purposes, received from equity funds achieved through the private investment in public equity transaction (the "PIPE Financing"), backstop facility and SPAC subscription proceeds (gross proceeds of EUR 225 millions, equal to GBP 186,796 thousands).

Shares in affiliated undertakings are as follows: (in thousands of GBP)

Name of undertakings	Registered office	Ownership %	Last balance sheet date	Net equity at balance sheet date (unaudited)	Loss for the year (unaudited)
BenevolentAI Limited	4-8 Maple Street, London, W1T 5HD, United Kingdom	100	31 December 2022	359,125	(114,462)

Value adjustment to financial assets during the year

The investments made in the newly-acquired subsidiary during the year ended 31 December 2022 have been assessed for impairment at the year end. Given the fall in Company's share price and corresponding market cap since the Closing date until year end, and Management's view that the value of BenevolentAI is largely representative of the Group as a whole, a value adjustment of GBP (528,233) thousands has been recognised in the Company's profit and loss account, under value adjustments in respect of financial assets and of investments held as current assets.

4. Investments

Movements in investments in own shares during the year are as follows:

	Investment in own shares £'000
Gross book value	
Balance at 1 June 2021 and 31 December 2021	—
Additions	207,796
Balance at 31 December 2022	**207,796**
Accumulated value adjustment	
Balance at 1 June 2021 and 31 December 2021	—
Allocation of value adjustments for the period	(129,750)
Balance at 31 December 2022	**(129,750)**
Net book value	
At 31 December 2021	—
At 31 December 2022	**78,046**

Prior to the Transaction, the Company redeemed 25,137,581 Ordinary shares at EUR 9.96 per share as requested by the shareholders in connection with the Transaction, equal to a total of GBP 207,796 thousands.

As with the value adjustment to investments made in the newly-acquired subsidiary, the investment in own shares has been assessed for recoverablity. Due to the fall in share price of the Company, a value adjustment of GBP (129,750) thousands has been recognised in the Company's profit and loss account, under value adjustments in respect of financial assets and of investments held as current assets.

5. Capital and reserves

Movements during the year are as follows:

	Subscribed capital £'000	Share premium £'000	Legal reserves £'000	Reserve for own shares £'000	Other reserves £'000	Profit or loss brought forward £'000	Profit or loss for the year £'000	Total £'000
Balance as at 31 December 2021	31	256,178	—	—	1,071	—	(7,397)	249,883
Redemption of own shares	—	(207,796)	—	207,796	—	—	—	—
Contribution in kind	75	747,217	—	—	—	—	—	747,292
Equity of PIPE Financing and backstop facility	14	146,213	—	—	—	—	—	146,227
Value adjustment in reserve for own shares	—	129,750	—	(129,750)	—	—	—	—
Allocation of previous year's results	—	—	—	—	—	(7,397)	7,397	—
Results for the year	—	—	—	—	—		(693,614)	(693,614)
Balance at 31 December 2022	**120**	**1,071,562**	**—**	**78,046**	**1,071**	**(7,397)**	**(693,614)**	**449,788**

5. Capital and reserves continued

5.1 Subscribed capital and share premium

Ordinary shares (A shares)

As at 31 December 2021, the subscribed share capital amounts to EUR 30,000.00, comprised of 30,000,000 shares.

Ahead of the Closing date, 25,137,581 Ordinary shares were redeemed in cash for an amount equal to GBP 207,796 thousands in favour of previous Odyssey shareholders. These redeemed shares remain listed and are held in a Company-own custody account ("Treasury shares"), with the redemption captured as an investment in own shares and through the reserve for own shares recognised through share premium. As result of the redemption, the Company's shares become non-redeemable. The reversal of reserve for own shares recognised is equal to the value adjustment recognised on investments in own shares (see note 4).

At the Closing date, the Company issued out of the authorised share capital 112,626,303 new Ordinary shares.

a) 90,012,909 were issued to the BenevolentAI Limited shareholders against their contribution of their BenevolentAI Limited to the Company, subject to an exchange ratio of approximately 38.4930.

b) 13,613,394 new Ordinary shares were issued under the subscription agreements in connection with the Transaction entered into by the Company with certain investors in the PIPE Financing against payment of EUR 10.00 per new Ordinary share.

c) 4,000,000 new Ordinary shares were issued at EUR 10.00 per share for gross proceeds of EUR 40 million, pursuant to the backstop facility agreement entered into in its amended form in April 2022.

d) Finally, 5,000,000 Sponsor shares (B shares) converted into Ordinary shares.

Sponsor shares (B shares)

As at 31 December 2021, the subscribed share capital amounts to EUR 7,500.00.

Upon completion of the Transaction, two-thirds of the 7,500,000 Sponsor shares converted into Ordinary shares in accordance with the conversion schedule (the "Promote Schedule", defined in the glossary of the prospectus). The remaining 2,500,000 are eligible to convert at a future point in time, provided the underlying conditions are met.

The Sponsor shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The Sponsor shares were not part of the private placement and are not listed on a stock exchange.

Shares issued and outstanding

	EUR 0.001 par value			
	Ordinary shares	Sponsor shares[1]	Treasury shares[1]	Total
As at 1 June 2021	—	—	—	—
Issuance of Sponsor shares	—	8,750,000	—	8,750,000
Issuance of Ordinary shares	30,000,000	—	—	30,000,000
Cancellation of Sponsor shares	—	(1,250,000)	—	(1,250,000)
As at 31 December 2021	30,000,000	7,500,000	—	37,500,000
As at 1 January 2022	30,000,000	7,500,000	—	37,500,000
Redemptions	(25,137,581)	—	25,137,581	—
Equity Backstop facility	4,000,000	—	—	4,000,000
Capital reorganisation	90,012,909	—	—	90,012,909
Equity PIPE Financing	13,613,394	—	—	13,613,394
Conversion of two-thirds of Sponsor shares	5,000,000	(5,000,000)	—	—
As at 31 December 2022	**117,488,722**	**2,500,000**	**25,137,581**	**145,126,303**

1. The unconverted Sponsor shares, and the treasury shares, do not form part of the basic total number of ordinary shares outstanding. The Sponsor shares derive their economic rights from their conversion to ordinary shares. The redemptions by ordinary shareholders ahead of the Closing date were transferred into treasury shares to be subsequently used to satisfy equity awards or be cancelled.

The total number of authorised shares is equal to 208,044,124.

5. Capital and reserves continued

5.2 Legal reserve

In accordance with Luxembourg law, the Company is required to allocate a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the subscribed capital. The legal reserve is not available for distribution to the shareholders. The Legal reserve has not yet been formulated as the Company is loss-making since its incorporation. Absent profits, the Legal reserve remains nil.

5.3 Reserves for own shares

The Company purchased its own shares during the year as shown in balance sheet as Own shares (see note 4). Accordingly, the Company has provided a non-distributable reserve in accordance with the Luxembourg law for an amount equivalent to the acquisition cost, adjusted for any value adjustment within the year.

5.4 Other reserves (Warrants)

Other reserves refer to the Public warrants and the Sponsor warrants.

Public warrants (Class A)

On 6 July 2021, the Company had issued 10,000,000 Public warrants together with the Ordinary shares (together, a "Unit") for an aggregate price of EUR 10.00 per Unit, the nominal subscription price per Public warrant being EUR 0.03. Hence, total proceeds in relation to the issue of the warrants amount to EUR 300,000.00.

Public warrants have ISIN code LU2355630968. Each Public warrant entitles its holder to subscribe for one Ordinary share, with a stated exercise price of EUR 11.50, subject to customary anti-dilution adjustments. Holders of Public warrants can exercise the warrants on a cashless basis unless the Company elects to require exercise against payment in cash of the exercise price.

Public warrants may only be exercised for a whole number of Ordinary shares. Public warrants will become exercisable 30 days after the completion of the Transaction. Public warrants expire five years from the date of the consummation of the Transaction, or earlier upon redemption or liquidation. The Company may redeem Public warrants upon at least 30 days 'notice at a redemption price of EUR 0.01 per Public warrant if (i) the closing price of its Ordinary shares for any 20 out of the 30 consecutive trading days following the consummation of the Transaction equals or exceeds EUR 18.00 or (ii) the closing price of its Ordinary shares for any 20 out of the 30 consecutive trading days following the consummation of the Transaction equals or exceeds EUR 10.00 but is below EUR 18.00, adjusted for adjustments as described in the section of redemption of warrants in the prospectus, and with the consent of the Sponsor.

Sponsor warrants (Class B)

On 6 July 2021, the Sponsor subscribed for 6,600,000 Sponsor warrants at a price of EUR 0.15 per Sponsor warrant, or EUR 990,000.00 in aggregate.

Pursuant to the Anchor Investor Agreements, the Sponsor transferred a total of 742,500 Sponsor warrants to the anchor investors for an aggregate price of EUR 111,375.00. Following the transfer, the Sponsor held a total of 5,857,500 Sponsor warrants. Each Sponsor warrant entitles its holder to subscribe for one Ordinary share, with a stated exercise price of EUR 11.50, 30 days after the completion of the Transaction.

The 6,600,000 Sponsor warrants are identical to the Public warrants underlying the Units (as defined above) sold in the private placement, except that the Sponsor warrants are not redeemable and may always be exercised on a cashless basis while held by the Sponsor or their permitted transferees (defined in the prospectus). Sponsor warrants were not part of the private placement and are not listed on a stock exchange.

6. Cash at bank and in hand

(in thousands of GBP)	**31 December 2022**	31 December 2021
Cash at bank and in hand[1]	**7,945**	1,968
Total	**7,945**	1,968

1. Cash at bank and in hand as at 31 December 2022 includes GBP 4,974 thousands held in short-term deposits (2021: nil).

7. Creditors

Creditors due and payable within one year are composed of the following:

(in thousands of GBP)	**31 December 2022**	31 December 2021
Amount owed to affiliated undertakings	**1,752**	—
Trade creditors and accruals	**384**	1,013
Other creditors	**12**	1
Total	**2,148**	1,014

8. Other external expenses

(in thousands of GBP)	Year ended 31 December 2022	From 1 June 2021 to 31 December 2021
Professional fees paid to shareholders	**12,320**	476
Legal fees	**6,138**	842
Transaction and PIPE-related fees, other than legal	**5,939**	—
Underwriting fees	**4,140**	3,737
Insurance expense	**969**	171
Listing and agency fees	**512**	225
Consulting, advisory, accounting and valuation fees	**363**	443
Audit fees	**265**	442
Administrative services with Odyssey Sponsor S.à r.l.	**66**	116
Other professional fees	**23**	32
Bank fees	**17**	4
Other expenses	**14**	3
Notary fees	**13**	12
Total	**30,779**	6,503

The total audit fees paid are as follows:

(in thousands of GBP)	Year ended 31 December 2022	From 1 June 2021 to 31 December 2021
Audit-related fees	**223**	360
Statutory audit of the annual accounts	**42**	82
Total	**265**	442

Audit-related fees, provided by the prior auditor, correspond to non-audit services in relation to the Group's preparation for listing in 2021, or as part of the Transaction. The fees for the statutory audit in 2021 reflects that earned by the previous auditor.

9. Other operating expenses

(in thousands of GBP)	Year ended 31 December 2022	From 1 June 2021 to 31 December 2021
Recharged expenses from affiliated undertakings	**1,100**	—
Directors' fees	**444**	—
CSSF fees	**106**	122
Other operating expenses	**2**	9
Total	**1,652**	131

10. Other interest receivable and similar income

(in thousands of GBP)	Year ended 31 December 2022	From 1 June 2021 to 31 December 2021
Foreign exchange gain	**1,302**	—
Interest income	**42**	—
Total	**1,344**	—

11. Other interest payable and similar expenses

(in thousands of GBP)	Year ended 31 December 2022	From 1 June 2021 to 31 December 2021
Foreign exchange loss	**414**	2
Banking interest	**80**	—
Total	**494**	2

12. Other taxes

(in thousands of GBP)	Year ended 31 December 2022	From 1 June 2021 to 31 December 2021
Stamp duty arising from Transaction	**3,739**	—
Net wealth tax	**9**	—
Total	**3,748**	—

13. Staff numbers and costs

The Company did not employ any staff during the year ended 31 December 2022 or period ended 31 December 2021.

14. Directors' remuneration

The Company granted emoluments of GBP 443,922 across 9 directors in the year ended 31 December 2022 (2021: none).

The Company has no commitments in respect of retirement pensions to members of its Board of Directors during the year ended 31 December 2022 (2021: none).

The Company did not grant any advances or loans to members of its Board of Directors during the year ended 31 December 2022 or period ended 31 December 2021.

15. Related party transactions

Prior to the Closing date, the Company had been compensating the Sponsor for administrative and day-to-day support services, pursuant to an agreement entered in 2021, in an amount of EUR 20 thousands (GBP 17 thousands) per month.

The Company had also entered into an agreement with Zaoui & Co., an affiliate of the Sponsor, and the Sponsor, as M&A adviser in connection with the Transaction, whereby Zaoui & Co. provided to the Company (i) consulting and advisory services such as target screening and financial analysis as may be required by the Company to properly conduct its business and dedicated employee time, in an amount of EUR 80 thousands (GBP 66 thousands) per month since June 2021 until the Closing date and, (ii) services in respect of strategy, tactics, timing and structuring of the Business Combination, which the Company agreed to pay as a success fee in the form of equity, of EUR 11.5 million (GBP 9.6 million) upon consummation of the Transaction.

Prior to the Transaction, the Company agreed to pay a deferred underwriting commission of EUR 3 million (GBP 2.5 million), to Zaoui & Co. upon consummation of the Transaction.

Transactions with related parties are performed on a commercial basis.

16. Off-balance sheet commitments and contingent liabilities

BenevolentAI Equity Incentive Scheme (BEIS)

As part of the Transaction, BenevolentAI took on the equity-settled share incentive scheme, the BEIS, previously operated by BenevolentAI Limited. Under the BEIS, all employees were offered options or Restricted Stock Units (RSUs) upon joining. RSUs operate in such a way as to give the same economic benefit as options, reflecting the requirements of certain jurisdictions.

The BEIS is in run-off since the Closing date, closed to new entrants and with vesting continuing for awards already granted. For holders of awards under the BEIS, these were transferred at the Closing date, from being for shares in BenevolentAI Limited to now being exercisable, in the case of options, and settleable, in the case of RSUs, for shares in BenevolentAI. This transfer was carried out on the same basis as with the share for share exchange as determined in the Business Combination agreement, namely using a conversion factor of approximately 38.4930, maintaining the fair value held by BEIS participants. The comparative information presented in this note has been adjusted retrospectively for this conversion, where applicable.

There are 19,371,596 awards outstanding as at 31 December 2022, each of which carries a weighted average exercise price of GBP 0.10. No options have yet been exercised, nor RSU agreements settled.

Long Term Incentive Plan (LTIP)

Following the Closing date, a new LTIP was formed on 27 July 2022. Under the LTIP, RSUs and performance stock units (PSUs) are granted to eligible employees and may be subject to one or more performance conditions.

There are 1,759,581 awards outstanding as at 31 December 2022, each of which carries a nil exercise price. No RSUs or PSUs have been settled.

Once the underlying vesting conditions of the awards are met under either BEIS or LTIP, holders of the awards undergo a settlement of their awards for shares in BenevolentAI or become entitled to exercise their options for shares in BenevolentAI.

Contingent liabilities

There are no contingent liabilities as at 31 December 2022 (2021: none).

17. Subsequent events

There are no subsequent events to report.

Glossary

AD	Atopic dermatitis.
AFM	The Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten).
AGM	Annual General Meeting.
AI.	Artificial intelligence.
ALS	Amyotrophic lateral sclerosis.
Anchor Investors	Linden Capital L.P., P. Schoenfeld Asset Management LP and Sona Asset Management (UK) LLP.
Articles of Association	The consolidated Articles of Association of the Company dated 13 October 2022 and as amended from time to time.
AstraZeneca Collaboration	Benevolent's collaboration agreements with AstraZeneca with respect to (i) CKD and IPF drug research, and (ii) SLE and HF.
Audit Law	Luxembourg law of 23 July 2016 on the audit profession, as amended.
Award	An equity award.
Benevolent Group or the 'Group'	BenevolentAI together with its consolidated subsidiaries.
Business Combination	On 22 April 2022, Odyssey SPAC and BenevolentAI Limited (the former parent company of the BAI Group before the Business Combination ("Transaction")), entered into a Business Combination agreement by way of contribution of all shares in BenevolentAI Limited into Odyssey SPAC in exchange for the issuance of new ordinary shares. The Transaction was completed on 22 April 2022 and resulted in changing the name of the Group's new holding company from Odyssey Acquisition S.A. to BenevolentAI (the "Group").
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
cGMP	Current good manufacturing practice.
Chair	The Chairperson of the Board.
CKD	Chronic kidney disease.
Company	BenevolentAI.
CRO	Contract research organisations.
COO	Chief Operating Officer.
CSO	Chief Scientific Officer.
CSSF	The Commission de Surveillance du Secteur Financier, with registered office at 283, route d'Arlon, L-1150 Luxembourg, Luxembourg (telephone: +352 26 25 1-1).
CTA	Clinical trial applications in the United Kingdom and European Union.
Directors	Members of the Board.
DNDi	Drugs for Neglected Diseases initiative.
Dutch Financial Supervision Act	The Dutch Financial Supervision Act (Wet of het financieel toezicht) and the rules promulgated thereunder.
ELT	Executive Leadership Team.
ESG	Environmental, social and governance.
EU	European Union.

Glossary continued

Euronext Amsterdam	The regulated market operated by Euronext Amsterdam N.V.
FDA	U.S. Food and Drug Administration.
FTE	Full time equivalent.
FX	Foreign exchange.
GBM	Glioblastoma multiforme.
GMP	Good manufacturing practice.
HF	Heart failure.
H&S	Health and Safety.
IBD	Inflammatory bowel disease.
IFRS	International Financial Reporting Standards.
IND	Investigational New Drug applications in the United States.
IP	Intellectual property.
IPF	Idiopathic pulmonary fibrosis.
KPIs	Key Performance Indicators.
LTIP	The Company's 2022 Long Term Incentive Plan.
MHRA	UK Medicines and Healthcare products Regulatory Agency.
NEDs	Non-Executive Directors.
NLP	Natural language processing.
PSU	Performance stock unit.
R&D	Research and development.
RSU	Restricted stock unit.
SLE	Systemic lupus erythematosus.
TargetID	Target identification.
WHO	World Health Organisation.

Shareholder information

Full & short Company name
BenevolentAI

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Dr. François Nader M.D.
Joanna Shields (Baroness Shields)
Dr. Olivier Brandicourt
Mr. Jean Raby
Dr. Susan Liautaud
Prof Sir Nigel Shadbolt
Dr. John Orloff
Dr. Jackie Hunter

Company Secretary
Will Scrimshaw

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Forward-looking statement

This Annual Report and Accounts contains forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “plans”, “targets”, “aims”, “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “should” and similar expressions. Forward-looking statements include statements regarding objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; economic outlook and industry trends; developments in BenevolentAI’s markets; the impact of regulatory initiatives; and/or the strength of BenevolentAI’s competitors. These forward-looking statements reflect, at the time made, BenevolentAI’s beliefs, intentions and current targets/aims. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this Annual Report and Accounts are based upon various assumptions based on, without limitation, management’s examination of historical operating trends, data contained in BenevolentAI’s records, and third-party data. Although BenevolentAI believes these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond BenevolentAI’s control. Forward-looking statements are not guarantees of future performance, and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of BenevolentAI or the industry to differ materially from those results expressed or implied by such forward-looking statements. The forward-looking statements speak only as of the date of this release. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved.

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