Recursion Secures $239 Million in Equity Financing to Advance Technology-Enabled Drug Discovery Platform and Pipeline

September 9, 2020

− Proceeds to support Recursion's development of its broad clinical-stage pipeline and expansion of the capabilities of its drug discovery platform −

− Series D financing led by Leaps by Bayer and supported by a consortium of new and existing healthcare and technology investors −

SALT LAKE CITY, September 9, 2020 —Recursion, a digital biology company industrializing drug discovery, today announced a $239 million oversubscribed Series D financing. The financing was led by Leaps by Bayer, the impact investment arm of Bayer AG. The syndicate also included new investors (Casdin Capital, Catalio Capital Management, LP, Laurion Capital Management, Samsara BioCapital and others) and all of Recursion's existing major institutional investors (Baillie Gifford, Mubadala, DCVC, Lux Capital, Obvious Ventures, Felicis Ventures, EPIC Ventures, Two Sigma Ventures, Advantage Capital, Intermountain Ventures and others).

"We are ecstatic to have the opportunity to apply our ever-growing integrated discovery and development technologies to the hardest problems in biology, and this fundraising round provides us with additional resources we need to continue to advance on our mission to decode biology to radically improve lives," said Chris Gibson, PhD, co-founder and CEO of Recursion. "We have made significant progress since our last financing a year ago — doubling the number of clinical and preclinical programs in our pipeline, doubling the size of our proprietary database of cellular images, and significantly expanding the capabilities of our deep-learning algorithms, as well as continuing to integrate new technologies at every step of the discovery process to create the first truly digitally-powered biotechnology company."

Proceeds from the financing will support the clinical development of Recursion's therapeutic pipeline which is the broadest and deepest pipeline to date of any company operating within the space of digitally-powered drug discovery. Additionally, Recursion will continue to invest in the development of its proprietary technology to enable improvements in many steps of the drug discovery process including the generation of massive relatable datasets sufficient for creating broad maps of human biology enabling target discovery, digital chemistry, predictive ADME/T and the digitization of in vivo studies. Through a focus on data relatability and machine learning approaches to analyze the petabytes of proprietary experimental data from Recursion's platform, Recursion believes that it can double the number of clinical and preclinical programs in its pipeline each year and accelerate therapeutic discovery and development.

"Leaps by Bayer is investing in transformative technologies with the ability to move the paradigm from treatment to cure," said Juergen Eckhardt, MD, Head of Leaps by Bayer. "With a pipeline of over 30 programs ranging from early discovery to clinical stage, including four clinical stage assets, Recursion is defining and leading technology-enabled drug discovery and has the potential to help enable new curative treatments in a large spectrum of disease areas and discover therapeutic candidates for intractable diseases. We are honored to be joined in this financing by other healthcare and technology experts who share our belief that Recursion's approach to technology-enabled drug discovery will bring life-changing medicines to patients quickly and in a cost effective manner."

Alongside the Leaps by Bayer investment in the Series D financing, Recursion also announced a strategic collaboration agreement with Bayer to identify and develop novel treatments for fibrotic diseases of the lung, kidney, heart and more. In this partnership, Recursion and Bayer may initiate more than ten fibrosis programs with possible development and commercial milestone payments of more than $100 million per program plus royalties on future sales. Recursion will receive an upfront payment of $30 million in addition to the $50 million lead equity investment. The size and scope of this partnership represents the largest announced partnership within the space of technology-enabled drug discovery to date and is a model for how Recursion plans to form strategic partnerships in other therapeutic areas with complex biology including oncology, immuno-oncology, inflammation, neuroinflammation, aging and infectious disease while advancing its internal programs focused primarily on genetic diseases.

About Recursion

Recursion's mission is to decode biology to radically improve lives. Unraveling the exceptional complexity of biological systems and delivering the next generation of biotherapeutics at unprecedented speed and scale can only be achieved by bridging life science and technology. Recursion is the leader in digital biology, and has built the world's most advanced ultra-high throughput wet-lab and machine learning platform. Recursion's ability to generate proprietary, high-dimensional, multi-modal and relatable datasets of human cellular biology at massive scale, and apply advanced machine learning approaches to reveal novel biological relationships, has resulted in a proven, target-agnostic drug-discovery engine.

Recursion has demonstrated the power of its platform to industrialize drug discovery by delivering a broad, clinical and preclinical pipeline spanning diverse therapeutic areas, positioning Recursion as the partner of choice in digitally-powered drug discovery. Recursion's ground breaking technology, inclusive culture and multidisciplinary team make it a destination for engineers and scientists who are passionate about trailblazing the frontier of digital biology. Learn more at www.recursionpharma.com, or connect on Twitter and LinkedIn.

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