Bayer and Recursion Focus Research Collaboration on Oncology

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Digitally enabled drug discovery for oncology has the potential to accelerate the delivery of new cancer therapies to patients. Drug discovery research collaboration may initiate up to seven oncology programs and further strengthens Bayer's early pipeline in precision oncology. Recursion is eligible to receive up to $1.5 billion in potential development and commercial milestone payments plus royalties.

Berlin, Germany and Salt Lake City, USA, Nov. 09, 2023 (GLOBE NEWSWIRE) -- Bayer and US-based Recursion Pharmaceuticals, Inc., a clinical stage TechBio company decoding biology to industrialize drug discovery, today announced that they have updated the focus of their research collaboration to precision oncology.

The oncology-focused collaboration will leverage Bayer's small molecule compound library and expertise in biology and medicinal chemistry as well as Recursion's purpose-built artificial intelligence-guided drug discovery platform. This strategic shift will enable Bayer to utilize Recursion's capabilities to initiate and advance the identification of novel therapeutic targets for challenging oncology indications with high unmet need.

"The methodology in which Recursion uses artificial intelligence (AI) in drug discovery, could be one of the most disruptive technologies of our time," said Juergen Eckhardt, M.D., Head of Business Development, Licensing & Open Innovation, Pharmaceuticals Division, Bayer AG, and Head of Leaps by Bayer. "As our collaboration and the usage of AI continue to evolve, we look forward to continuing to work with industry innovators to identify novel targets for oncology indications."

Bayer's strategic approach in oncology is based on precision drug development which enables fast identification of the most promising targets and commercially viable programs. The company is continuously working to find new ways of treating cancer, so that patients do not necessarily need to undergo life-changing and invasive treatments. Artificial intelligence and the use of machine learning methods allow the processing of enormous amounts of data - including high-resolution imaging - and offers unprecedented potential for the discovery of new drug candidates for cancer and other complex diseases.

"Every cancer is different and requires an individual approach," said Dominik Ruettinger, M.D., Ph.D., Global Head of Research and Early Development for Oncology, Pharmaceuticals Division, Bayer AG. "At Bayer, we are committed to driving breakthrough innovations for patients with diseases of high unmet medical need. Nearly half of our entire pharma pipeline is dedicated to cancer therapies, and we have a strong foundation to build on to bring these innovative treatment approaches to patients."

Recursion's drug discovery platform navigates over five trillion biological and chemical relationships within one of the world's largest proprietary datasets. The system integrates scaled 'wet-lab' biology and chemistry data with computational tools, using advanced machine learning technologies to industrialize drug discovery by validating and advancing therapeutic programs efficiently and with minimal bias. Their dataset, which includes information from 50 different human cell types and a ~1.7 million small molecule library, is supported by BioHive-1, a TOP500 ranked supercomputer.

"We believe that the next generation of biopharma leaders will operate at the convergence of rigorous science, scaled datasets and accelerated computing," said Chris Gibson, Ph.D., Co-founder and CEO of Recursion. "Today, we are thrilled to announce the evolution of our collaboration with Bayer, highlighting the flexibility and broad-scale applicability of our platform, as we turn our focus together on challenging targets in oncology with the goal of bringing better medicines to patients more efficiently."

Under the terms of the agreement, the companies may initiate up to seven oncology programs and Recursion is eligible to receive potential, success-based, future payments of up to $1.5 billion plus royalties on net sales. Bayer will gain the option to exclusively license novel therapeutics derived from the research activities.

Leaps by Bayer, the impact investment arm of Bayer AG, led Recursion's Series D financing in 2020 with an investment of USD 50 million.

About Bayer
Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to help people and the planet thrive by supporting efforts to master the major challenges presented by a growing and aging global population. Bayer is committed to driving sustainable development and generating a positive impact with its businesses. At the same time, the Group aims to increase its earning power and create value through innovation and growth. The Bayer brand stands for trust, reliability, and quality throughout the world. In fiscal 2022, the Group employed around 101,000 people and had sales of 50.7 billion euros. R&D expenses before special items amounted to 6.2 billion euros. For more information, go to www.bayer.com.

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

Forward-Looking Statements
This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or

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Additionally, this document contains information that includes or is based upon "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995, including, without limitation, those regarding the outcomes and benefits expected from the amended agreement between Bayer and Recursion. Forward-looking statements may or may not include identifying words such as "plan," "will," "expect," "anticipate," "intend," "believe," "potential," "could," "continue," and similar terms. These statements are subject to known or unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements, including but not limited to those described under the heading "Risk Factors" in Recursion's filings with the U.S. Securities and Exchange Commission, including the most recent Quarterly Report on Form 10-Q and our Annual Report on Form 10-K, available on Recursion's website at www.recursion.com. All forward-looking statements are based on management's current estimates, projections, and assumptions, and Recursion undertakes no obligation to correct or update any such statements, whether as a result of new information, future developments, or otherwise, except to the extent required by applicable law.

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