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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 23, 2022

Recursion Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

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

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

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

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

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

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

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))

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

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

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

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

Emerging growth company X

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

Item 2.02. Results of Operations and Financial Condition.

On March 23, 2022, Recursion Pharmaceuticals, Inc. issued a press release announcing its results of operations and financial condition for the fourth quarter and fiscal year ended December 31, 2021. A copy of the press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.
On March 23, 2022, Recursion Pharmaceuticals, Inc. released an updated investor presentation. The investor presentation will be used from time to time in meetings with investors. A copy of the presentation is attached hereto as Exhibit 99.2.

The information furnished pursuant to Item 2.02 (including Exhibit 99.1) and 7.01 (including Exhibit 99.2) on this Form 8-K, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press release issued by Recursion Pharmaceuticals, Inc. dated March 23, 2022
99.2	Investor presentation of Recursion Pharmaceuticals, Inc. dated March 23, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on March 23, 2022.

RECURSION PHARMACEUTICALS, INC.

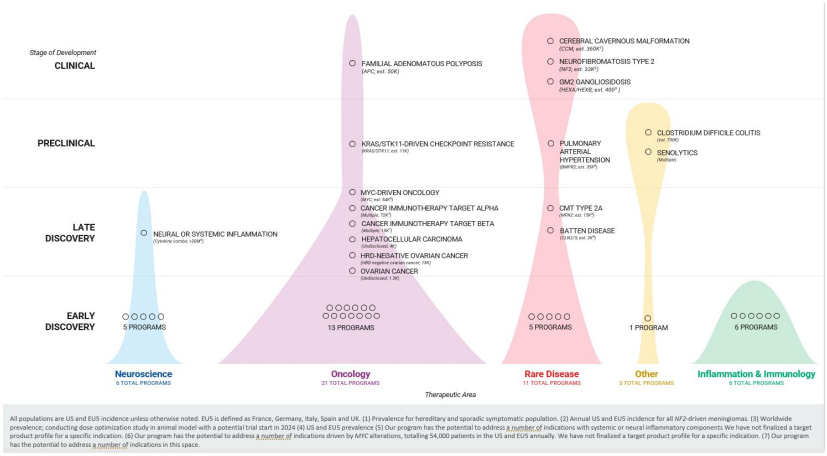
By: /s/ Michael Secora
Michael Secora
Chief Financial Officer

Recursion Provides Business Updates and Reports Fourth Quarter and Fiscal Year 2021 Financial Results

- Announced a transformational collaboration with Roche and Genentech to build and navigate maps of biology in neuroscience and an indication in gastrointestinal oncology and to advance up to 40 novel potential medicines
- Expanded our collaboration with Bayer to include the use of Recursion's OS to map and navigate biology and increased the number of potential programs in fibrosis to more than a dozen
- Enrolled the first patient in our Phase 2 clinical trial for CCM
- Advanced our internal pipeline of potential oncology therapeutics, including programs related to CDK12, target alpha, STK11, MYC, and multiple new programs

SALT LAKE CITY, March 23, 2022 — Recursion (Nasdaq : RXRX), the clinical-stage biotechnology company industrializing drug discovery by decoding biology, today reported business updates and financial results for its fourth quarter and fiscal year ended December 31, 2021.

"2021 was an exciting year for Recursion, in which we closed one of the largest biotechnology initial public offerings in history; expanded our partnership with Bayer; entered into a transformational partnership with Roche and Genentech; received Fast Track and Orphan Drug Designations from the FDA for our NF2 and FAP programs, respectively; readied several programs to initiate clinical trials; expanded our therapeutics pipeline with numerous programs in oncology; and built and began to utilize our supercomputer, BioHive1," said Recursion Co-Founder & CEO Chris Gibson, Ph.D. "As we applied our mapping and navigating capabilities to explore complex biology, we discovered and advanced many new scientific and business opportunities. We are excited for 2022 as we work to transition more biology and chemistry from maps to medicines."



Summary of Business Highlights

- **Clinical Programs**
  - **Cerebral cavernous malformation (CCM) (REC-994):** In March 2022, we enrolled the first patient in our Phase 2 SYCAMORE clinical trial, which is a double-blind, placebo-controlled safety, tolerability and exploratory efficacy study of this drug candidate in 60 subjects with CCM.
  - **Neurofibromatosis type 2 (NF2) (REC-2282):** We plan to initiate our Phase 2/3 POPLAR-NF2 clinical trial, which is a parallel group, two stage, randomized, multicenter study of this drug candidate in the second quarter of 2022.
  - **Familial adenomatous polyposis (FAP) (REC-4881):** We plan to initiate a Phase 2, randomized, double-blind, placebo-controlled study to evaluate safety, pharmacokinetics and efficacy of this drug candidate in the third quarter of 2022.
- **Preclinical and Discovery Programs**
  - ***Clostridium difficile* colitis (REC-3964):** We made progress in IND-enabling studies for REC-3964 and plan to initiate a Phase 1 study in the second half of 2022.
  - **Small molecule inhibitor of a target with a novel link to CDK12 biology:** A small molecule inhibitor of a novel target not otherwise known to be related to CDK12, discovered using our next generation mapping and navigating technology, has demonstrated robust single-agent and combination activity with olaparib in an HRD-negative ovarian cancer PDX model, achieving 100% complete and durable response.
  - **Cancer immunotherapy target 'alpha':** We expanded the in vivo dataset of target alpha, where a small molecule inhibitor of target alpha, discovered using our next generation mapping and navigating technology, demonstrated robust

combination activity with an anti-PD1 therapy in an EMT6 mouse model and achieved 80% complete response.
    - **Oncology pipeline:** We continued to make progress expanding and advancing numerous oncology programs, discovered using our next generation mapping and navigating technology, through scientific milestones including the programs mentioned above as well as programs related to immune checkpoint resistance in STK11-mutant non-small cell lung cancer, small molecule MYC inhibition, cancer immunotherapy target 'beta,' hepatocellular carcinoma, ovarian cancer, and other indications.
- **Roche-Genentech Collaboration:** In December 2021, we announced a transformational collaboration with Roche and Genentech to advance novel potential medicines in neuroscience and an indication in gastrointestinal oncology by mapping complex biology using the Recursion OS. In this collaboration, Recursion received an upfront payment of $150 million in January 2022, is eligible for milestones for map-building and data-sharing that could exceed $500 million, as well as research and development, commercialization and net sales milestones on up to 40 programs that could exceed $300 million per program and mid- to high-single digit tiered royalties on net sales for products commercialized from this work together.
- **Bayer AG Collaboration:** In December 2021, we announced the expansion of our collaboration with Bayer to include the use of Recursion's biological mapping and navigating capabilities to discover small molecule drug candidates with the potential to treat fibrotic diseases. In this expanded collaboration, Recursion and Bayer may now work on more than a dozen programs of relevance to fibrotic diseases.
- **Recursion OS**
    - **Closed Loop Automated Synthesis Suite (CLASS):** We began designing CLASS, our automated chemical microsynthesis system, which will further enable novel chemical formulation and profiling across our maps of biology and chemistry.
    - **Total Observations:** In the fourth quarter of 2021, we surpassed the milestone of executing 100 million total phenotypic experiments and producing 1 billion proprietary biological images.

Fourth Quarter and Fiscal Year 2021 Financial Results

- **Cash Position:** Cash, cash equivalents and investments were $516.6 million as of December 31, 2021, compared to $262.1 million as of December 31, 2020. This cash balance does not include the upfront payment of $150.0 million from entering into the Roche-Genentech collaboration in December 2021, which was received in January 2022.
- **Revenue:** Total revenue, consisting primarily of revenue from collaborative agreements, was $2.5 million for the fourth quarter of 2021, compared to $2.7 million for the fourth quarter of 2020. Total revenue, consisting primarily of revenue from collaboration agreements, was $10.2 million for the year ended December 31, 2021, compared to $4.0 million for the year ended December 31, 2020. The increase in 2021 was due to revenue recognized from our collaboration with Bayer.
- **Research and Development Expenses:** Research and development expenses were $48.3 million for the fourth quarter of 2021, compared to $20.7 million for the fourth quarter of 2020. Research and development expenses were $135.3 million for the year ended December 31, 2021, compared to $63.3 million for the year ended December 31,

2020. The increases in both periods in 2021 were primarily due to an increased number of experiments run on the Recursion OS, an increased number of assets being validated and increased clinical costs of studies to progress our drug candidates.

- **General and Administrative Expenses:** General and administrative expenses were $19.2 million for the fourth quarter of 2021, compared to $7.6 million for the fourth quarter of 2020. General and administrative expenses were $57.7 million for the year ended December 31, 2021, compared to $25.3 million for the year ended December 31, 2020. The increases in both periods in 2021 were due to the growth in size of the company's operations, including an increase in salaries and wages of $16.4 million during the year ended December 31, 2021, equipment costs, human resources-related costs, facilities costs and other administrative costs associated with operating as a high-growth company.
- **Net Loss:** Net loss was $64.9 million for the fourth quarter of 2021, compared to a net loss of $25.8 million for the fourth quarter of 2020. Net loss was $186.5 million for the year ended December 31, 2021, compared to a net loss of $87.0 million for the year ended December 31, 2020.

Additional Corporate Updates

- **Letter to Shareholders:** Recursion Co-Founder & CEO Chris Gibson, Ph.D. wrote an annual letter to shareholders which may be found in our 10-K report filed with the SEC.
- **Environmental, Social, and Governance (ESG) Report:** Recursion has prepared a report which describes our operations in relation to a number of ESG metrics. A copy of this report may be found on the Recursion website at www.Recursion.com.
- **Neuroscience:** Tim Ahfeldt, Ph.D. joined Recursion as Fellow, Neuroscience; Irit Rappley, Ph.D. joined Recursion as Vice President, Neuroscience and Translational Research; and Glenn Morrison, Ph.D. joined Recursion as Vice President, Clinical Development.
- **Clinical Development:** Rogelio Mosqueda-Garcia, M.D., Ph.D. joined Recursion as Vice President, Clinical Development & Head of Human Pharmacology and Translational Medicine and Lisa Boyette, M.D., Ph.D. was promoted to Vice President, Medical Affairs.
- **Chemical Technology & Manufacturing:** David Northrup joined Recursion as Vice President, Manufacturing & Supply Chain and Thierry Masquelin, Ph.D. joined Recursion as Senior Director, Chemical Technology.
- **Intellectual Property:** Rich Person, J.D. joined Recursion as Vice President, Intellectual Property.
- **Annual Shareholder Meeting:** The Recursion Annual Meeting of Shareholders will be held on June 14, 2022.

About Recursion
Recursion is the clinical-stage biotechnology company industrializing drug discovery by decoding biology. Enabling its mission is the Recursion Operating System, a platform built across diverse technologies that continuously expands one of the world’s largest proprietary biological and chemical datasets, the Recursion Data Universe. Recursion leverages sophisticated machine-learning algorithms to distill from its dataset the Recursion Map, a collection of hundreds of billions 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.

Recursion is proudly headquartered in Salt Lake City, where it is a founding member of BioHive, the Utah life sciences industry collective. Recursion also has offices in Toronto, Montreal and the San Francisco Bay Area. Learn more at www.Recursion.com, or connect on Twitter and LinkedIn.

Media Contact
Media@Recursion.com

Investor Contact
Investor@Recursion.com

Consolidated Statements of Operations

Recursion Pharmaceuticals, Inc.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	Three months ended December 31,		Years ended December 31,	
	2021	**2020**	**2021**	**2020**
Revenue				
Grant revenue	33	140	$ 178	$ 549
Operating revenue	2,500	2,551	10,000	3,413
Total revenue	2,533	2,691	10,178	3,962
Operating expenses				
Research and development	48,291	20,698	135,271	63,319
General and administrative	19,202	7,574	57,682	25,258
Total operating expenses	67,493	28,272	192,953	88,577
Loss from operations	(64,960)	(25,581)	(182,775)	(84,615)
Other gain (loss), net	27	(185)	(3,704)	(2,391)
Net loss	$ (64,933)	$ (25,766)	$ (186,479)	$ (87,006)
Per share data				
Net loss per share of Class A and B common stock, basic and diluted	$ (0.38)	$ (1.17)	$ (1.49)	$ (3.99)
Weighted-average shares (Class A and B) outstanding, basic and diluted	169,368,999	22,010,989	125,348,110	21,781,386

Consolidated Balance Sheets

Recursion Pharmaceuticals, Inc.
Consolidated Balance Sheets
(in thousands)

	December 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 285,116	$ 262,126
Restricted cash	1,552	2,000
Accounts receivable	34	156
Other receivables	9,056	—
Investments	231,446	—
Other current assets	7,514	2,155
Total current assets	534,718	266,437
Restricted cash, non-current	8,681	3,041
Property and equipment, net	64,725	25,967
Intangible assets, net	1,385	1,689
Goodwill	801	801
Other non-current assets	35	650
Total assets	$ 610,345	$ 298,585
Liabilities, convertible preferred stock and stockholders' equity (deficit)		
Current liabilities		
Accounts payable	$ 2,819	$ 1,074
Accrued expenses and other liabilities	32,333	10,485
Current portion of unearned revenue	10,000	10,000
Current portion of notes payable	90	1,073
Current portion of lease incentive obligation	1,416	467
Total current liabilities	46,658	23,099
Deferred rent	4,110	2,674
Unearned revenue, net of current portion	6,667	16,667
Notes payable, net of current portion	633	11,414
Lease incentive obligation, net of current portion	9,339	2,708
Total liabilities	67,407	56,562
Commitments and contingencies		
Convertible preferred stock	—	448,312
Stockholders' equity (deficit)		
Common stock (Class A and B)	2	—
Additional paid-in capital	943,142	7,312
Accumulated deficit	(400,080)	(213,601)
Accumulated other comprehensive loss	(126)	—
Total stockholders' equity (deficit)	542,938	(206,289)
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	$ 610,345	$ 298,585

Forward-Looking Statements

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; early and late stage discovery, preclinical, and clinical programs; licenses and collaborations; prospective products and their potential future indications and market opportunities; Recursion OS and other technologies; expansion of facilities and expected uses; workforce growth; business and financial plans and performance; and all other statements that are not historical facts. Forward-looking statements may or may not include identifying words such as “plan,” “will,” “expect,” “anticipate,” “intend,” “believe,” “potential,” “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: challenges inherent in pharmaceutical research and development, including the timing and results of preclinical and clinical programs, where the risk of failure is high and failure can occur at any stage prior to regulatory approval due to lack of sufficient efficacy, safety considerations, or other factors; our ability to leverage and enhance our drug discovery platform; our ability to obtain financing for development activities and other corporate purposes; the success of our collaboration activities; our ability to obtain regulatory approval of, and ultimately commercialize, drug candidates; the impact of the COVID-19 pandemic and force majeure events; our ability to obtain, maintain, and enforce intellectual property protections; cyberattacks or other disruptions to our technology systems; our ability to attract, motivate, and retain key employees and manage our growth; and other risks and uncertainties such as those described under the heading “Risk Factors” in our filings with the U.S. Securities and Exchange Commission, including our most recent Quarterly Report on Form 10-Q and our Annual Report on Form 10-K to be filed later this month. 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.

Decoding Biology To Radically Improve Lives

End of Q4 2021

Recursion

Forward Looking Statements

This presentation and any accompanying discussion or documents may contain information that includes or is based upon "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates and projections about our industry, management's beliefs and certain assumptions we have made. They are neither historical facts nor assurances of future performance, are subject to significant risks and uncertainties, and may turn out to be wrong. For a discussion of factors that could affect our business, please refer to the "Risk Factors" sections in our Prospectus filed with the SEC on April 16, 2021 and in our periodic filings with the SEC. This presentation does not purport to contain all the information that may be required to make a full analysis of the subject matter. We undertake no obligation to correct or update any forward-looking statements.

Recursion is a 21st century biopharma company

Recursion is a clinical stage **Pharmatech** company **Mapping and Navigating** biology designed to bring better medicines to patients faster and at lower cost via an **Internal Pipeline** and **Partnerships**

The Leading Pharmatech

>150+ Biologists, chemists and drug developers

>150+ Data scientists, software programmers, and engineers

Mapping & Navigating

13 Petabytes of proprietary biological and chemical data generated in-house

>200B inferred biological relationships to mine using our maps of biology

Internal Pipeline

3 Programs entering Ph2 or Ph2/3 and **1** program entering Ph1 in 2022

>10 programs in late discovery or preclinical

Dozens of programs in early discovery

Partnerships

>$230M in upfront payments and investment to date from partners

>$500M in performance/data-sharing milestones possible in intermediate term

>$13B in project milestones across up to 50+ programs possible

Royalties on all partnered programs

The biopharmaceutical industry faces pressure amidst declining efficiency

Political sentiment the world over, and increasingly in the U.S., against high drug prices will create additional pressure

The number of new drug approvals is up only 47% over the last 25 years and first in class drug approvals have fallen 17% over the past decade[2]

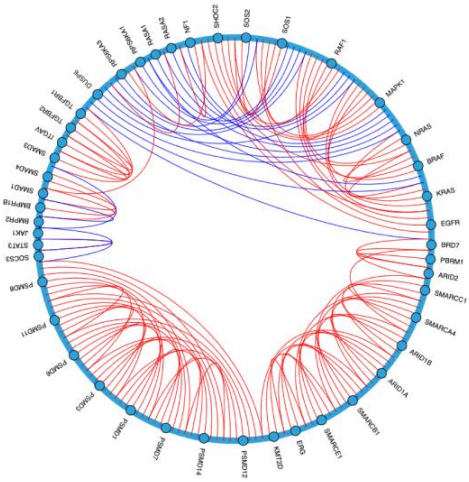
$2.4B of R&D per new drug is 2.1 times more than a decade ago[1]

60% of sales growth of the top selling drugs is accounted for by price increases[3]

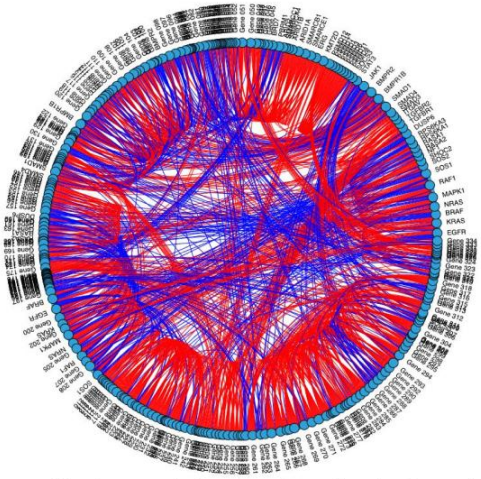
[1]Deloitte, "Measuring the Return from Pharmaceutical innovation" (2020 and 2015 editions).
[2]Mullard, A. Nature Reviews Drug Discovery 2021. [3]Biopharma Dive, 2018 (leerink) and Brown, D and Wobst H J Med Chem 2021 (FIC)

Historical tools and the limits of human cognition led to biological reductionism

Traditional Approach to Biology



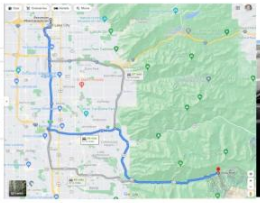
Well-known primary relationships found by the Recursion OS between key members of five pathways: JAK/STAT | SWI/SNF | TGFβ | RAS | Proteasome



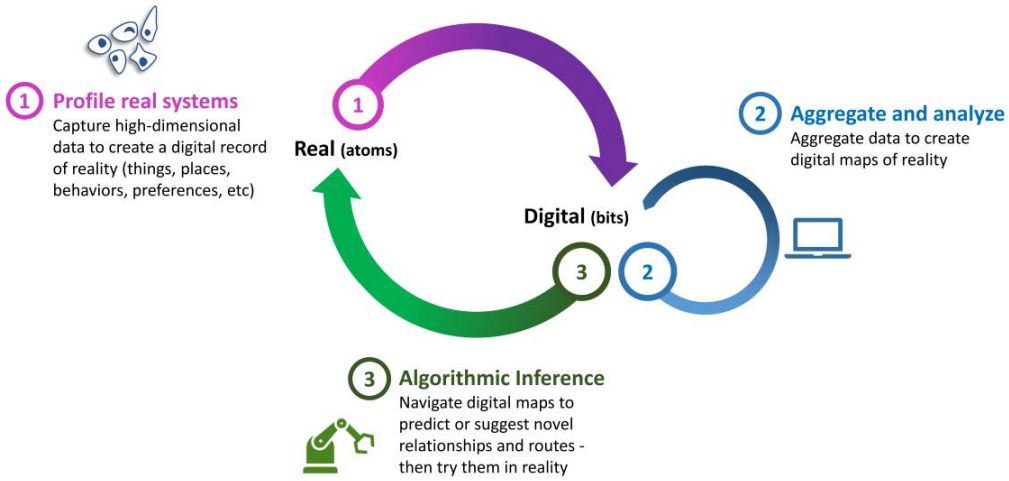
Recursion's Approach to Biology

All primary relationships found by the Recursion OS between key members of five pathways: JAK/STAT | SWI/SNF | TGFβ | RAS | Proteasome

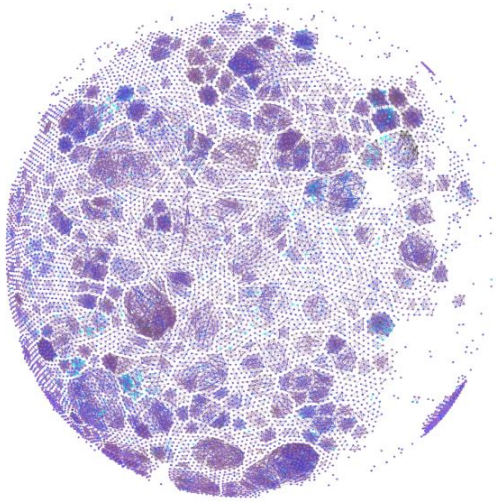
Technology has reshuffled major industries by bringing order and prediction to complex systems


An underlying theme of many disruptive and successful technology companies is an iterative loop of data and algorithms

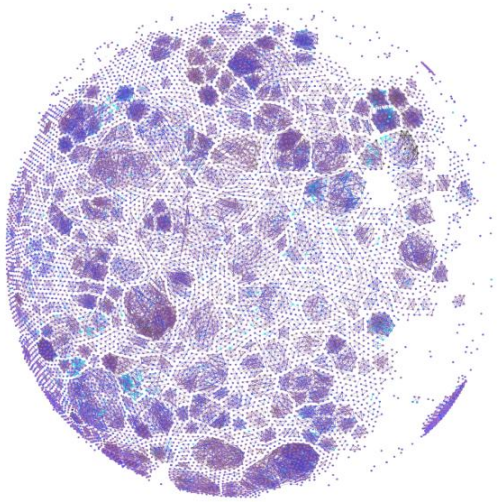


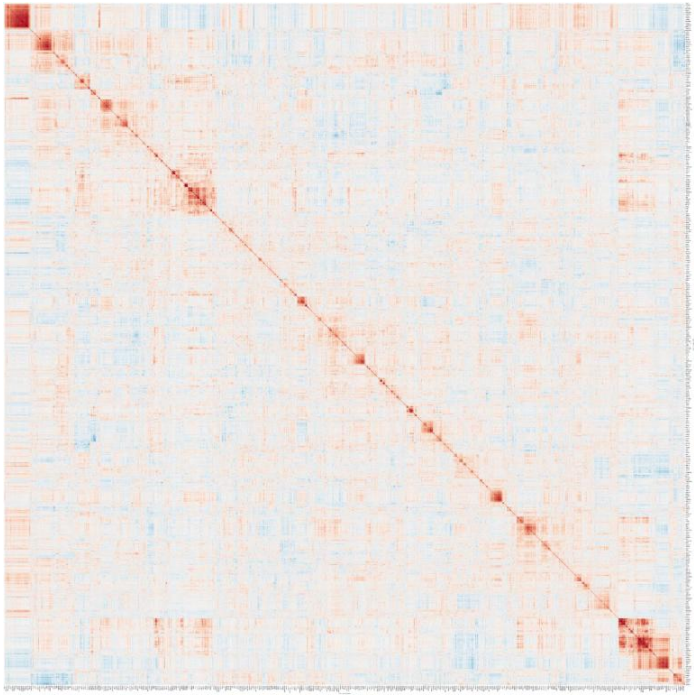
How we build maps of biology



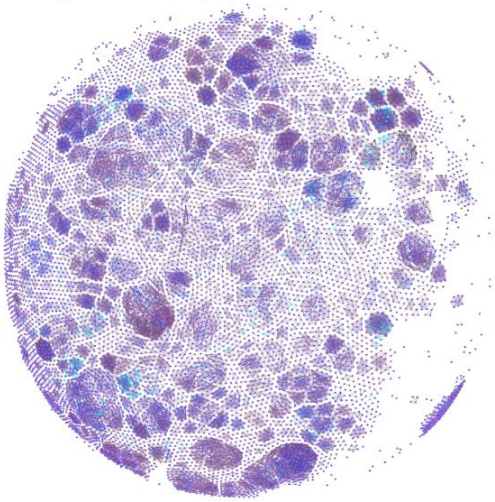

How we build maps of biology
Automated Execution at Scale
Up to
2.2 M
Experiments per week
Digitization of Complex Biology
13 PB
Proprietary High-Dimensional Biological Data
Biological and Chemical Diversity
38
Human cell types
1M
Small Molecules
130K
Arrayed CRISPR guides
1K
Cytokines & soluble factors
Recursion OS
Enables quality, reliability, repeatability and scale
ML/AI-Based Analysis
Top 100
Supercomputer on Earth (TOP500 List - Nov 2021)
Novel Efficacy and Insights At Scale
High-Dimensional Validation
Up to
6K
Near whole exomes per week
5K
Proteomics panels in 2021
ML/AI-Based Exploration
200B
ML-enabled hypotheses

How we navigate our maps of biology to rapidly identify novel insights that can drive better programs faster

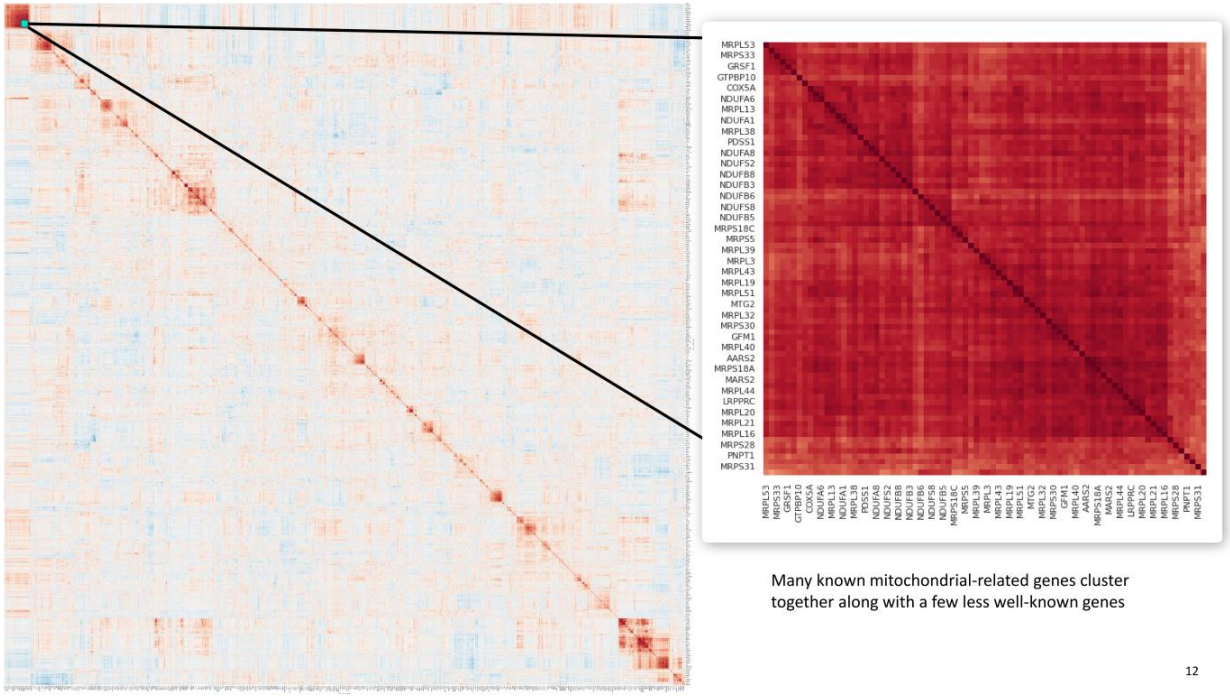




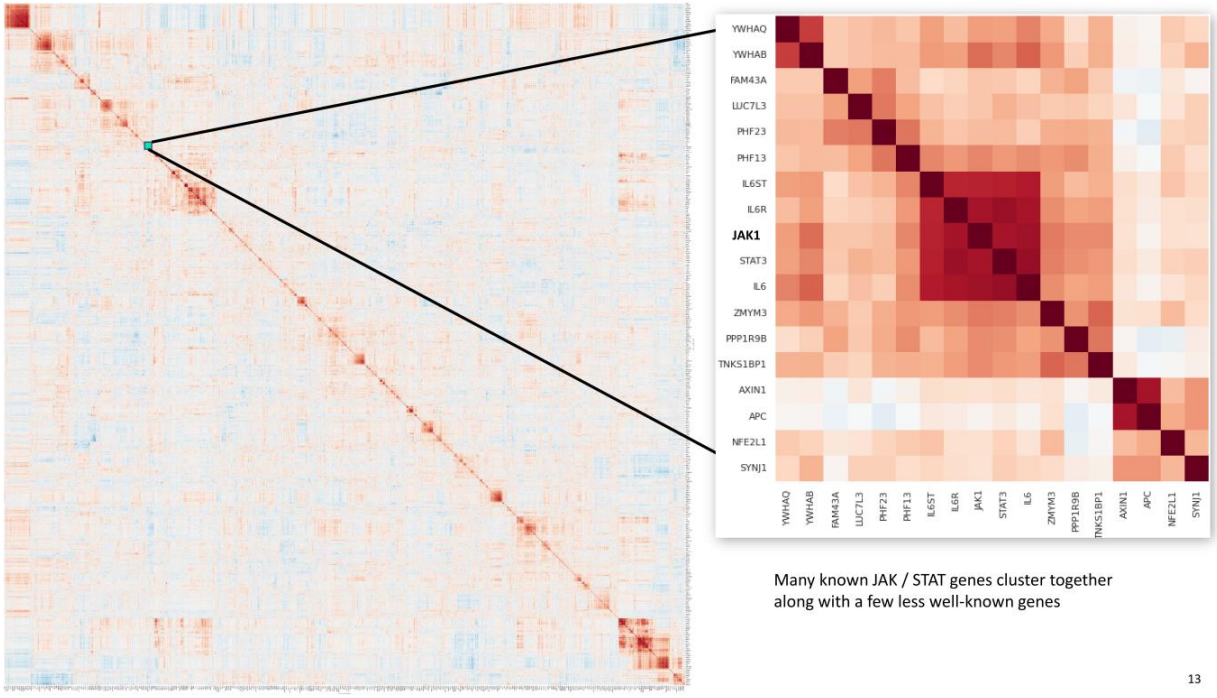
Recursion visualizes its Maps in different ways. Below is a Map of thousands of new chemical entities, clustered by chemical similarity and colored by potency, which demonstrated a strong anti-inflammatory response on the Recursion OS



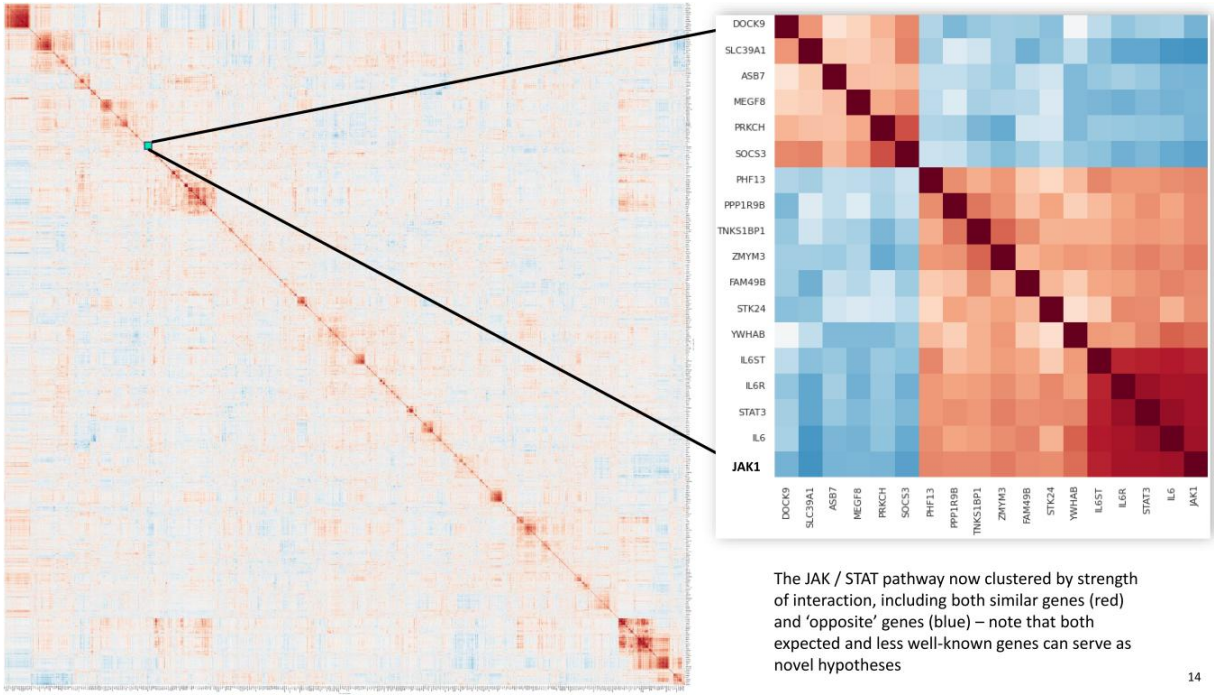
To the left is a whole-genome arrayed CRISPR KO Map generated in primary human endothelial cells



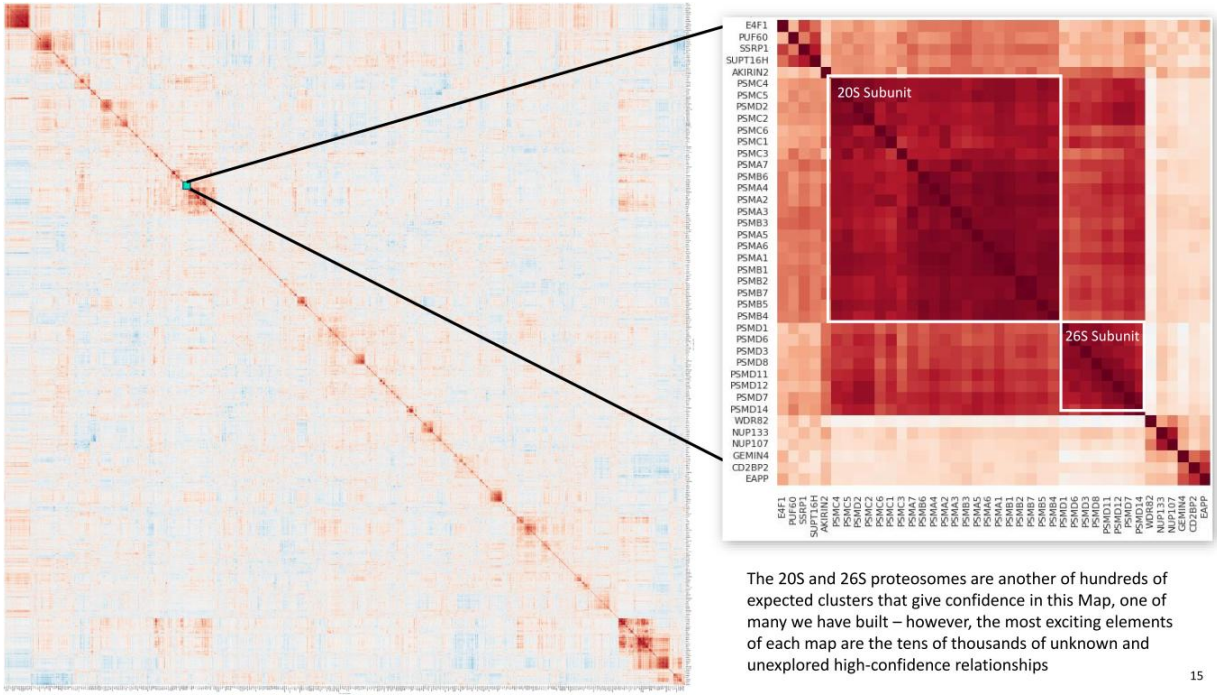
Many known mitochondrial-related genes cluster together along with a few less well-known genes



Many known JAK / STAT genes cluster together along with a few less well-known genes



The JAK / STAT pathway now clustered by strength of interaction, including both similar genes (red) and 'opposite' genes (blue) – note that both expected and less well-known genes can serve as novel hypotheses



The 20S and 26S proteosomes are another of hundreds of expected clusters that give confidence in this Map, one of many we have built – however, the most exciting elements of each map are the tens of thousands of unknown and unexplored high-confidence relationships

A departure from the traditional approach towards mapping and navigating biology

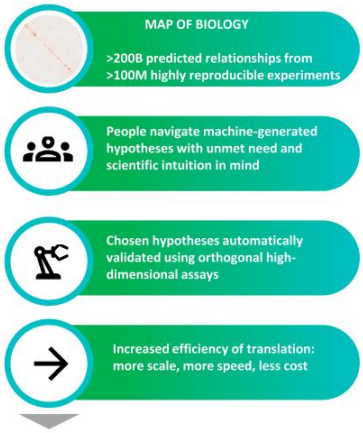
Traditional Approach

LIMITATIONS

1. Millions of disparate journal articles and publications
2. Many data cannot be independently replicated
3. Human-selected low dimensional assays prone to confirmation bias
4. Humans prone to confirmation bias

<10% clinical success rate

Recursion Approach

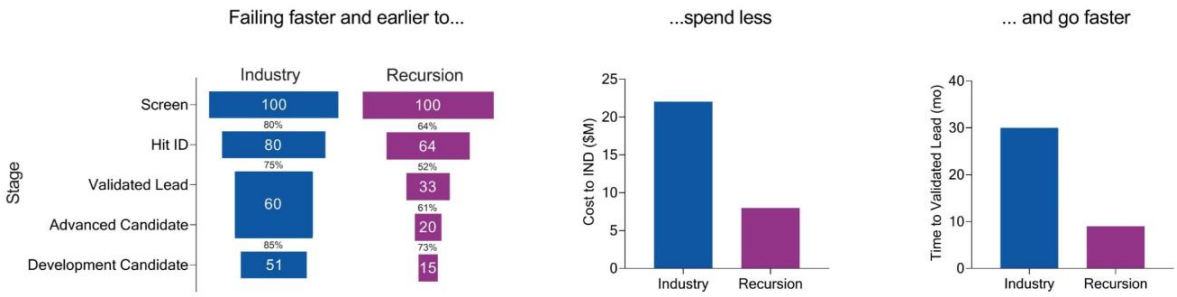


This approach is designed to achieve higher clinical success rates

BENEFITS

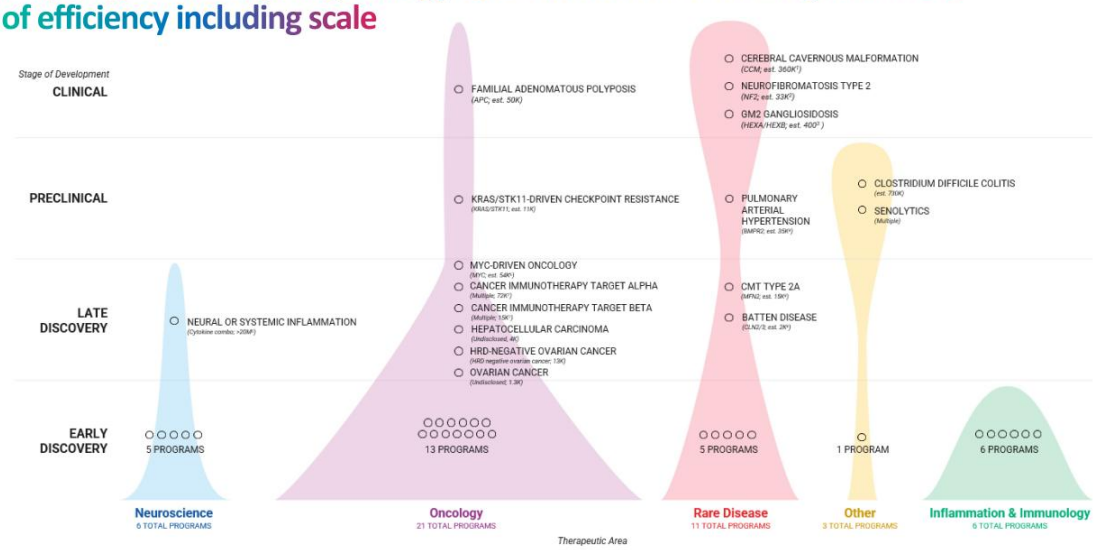
1. Massive, relatable proprietary map of searchable biology
2. Data highly replicable and scalable
3. High-dimensional orthogonal validation minimizes 'leak' of poor hypotheses to later stages
4. Minimization of human bias
5. Maximization of biological systems relevance

Mapping and Navigating Biology has demonstrated leading indicators of efficiency including speed and cost benefits



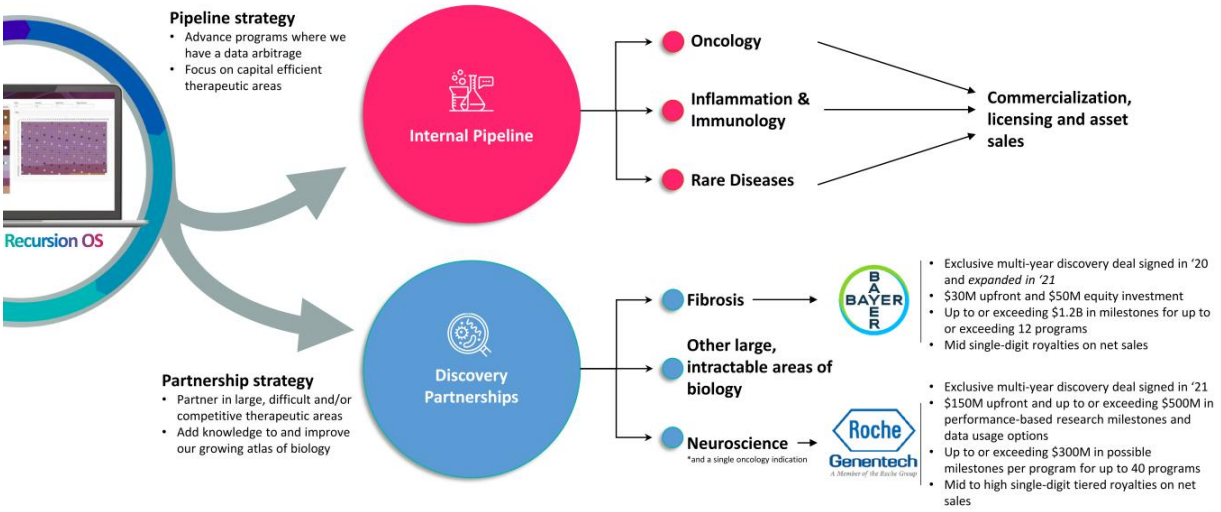
Data shown are the averages of all our programs from 2017 through 2021. All industry data adapted from Paul, et al. Nature Reviews Drug Discovery. (2010) 9, 203–214

Mapping and Navigating Biology has demonstrated leading indicators of efficiency including scale

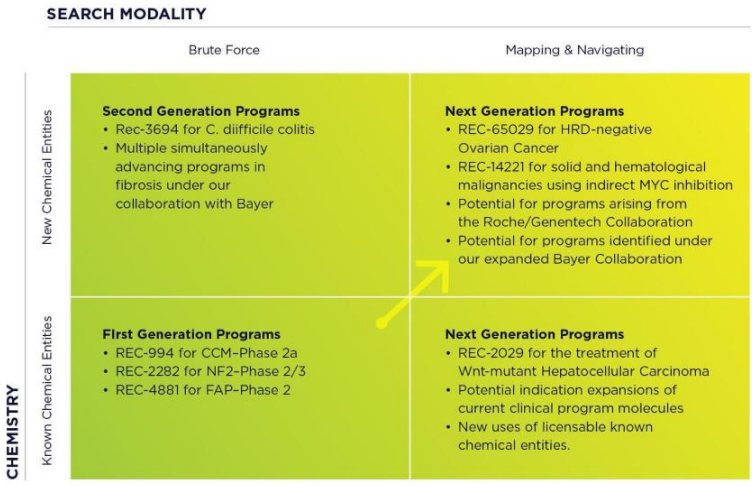


All populations are US and EU5 incidence unless otherwise noted. EU5 is defined as France, Germany, Italy, Spain and UK. (1) Prevalence for hereditary and sporadic symptomatic population. (2) Annual US and EU5 incidence for all *NF2*-driven meningiomas. (3) Worldwide prevalence; conducting dose optimization study in animal model with a potential trial start in 2024 (4) US and EU5 prevalence (5) Our program has the potential to address a number of indications with systemic or neural inflammatory components We have not finalized a target product profile for a specific indication. (6) Our program has the potential to address a number of indications driven by *MYC* alterations, totalling 54,000 patients in the US and EU5 annually. We have not finalized a target product profile for a specific indication. (7) Our program has the potential to address a number of indications in this space.

We harness the value and scale of our Maps of Biology using a capital efficient business strategy



Iterations of the Recursion OS and program generations



The earliest iterations of the Recursion OS leveraged brute-force search (where small molecules were tested directly in the context of each disease model we built) and used a small molecule library restricted primarily to known chemical entities. Programs arising from this iteration of the Recursion OS are deemed **First Generation Programs**. As we developed our chemistry capabilities and new chemical entity library at Recursion, **Second Generation Programs** arose, though the throughput needed to screen large libraries of new chemical entities presents a powerful but relatively inefficient solution. Today, most of our new programs, as well as new partnerships or expansions of prior partnerships, are **Next Generation Programs**, whereby we use our maps of biology to navigate to novel or unexpected relationships between molecules (known or new chemical entities) and then validate those predictions in our wet labs

Clinical Program – REC-994 for Cerebral Cavernous Malformation (CCM)

PREVALENCE

360,000 **US + EU5**

CAUSE

LOF mutations in genes *CCM1*, *CCM2* & *CCM3*, key for maintaining the structural integrity of the vasculature due to unknown mechanisms

PATHOPHYSIOLOGY

Vascular malformations of the CNS leading to focal neurological deficits, hemorrhage and other symptoms

OUR REASON TO BELIEVE

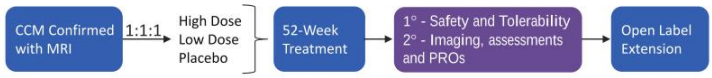
Efficacy in Recursion OS as well as functional validation via scavenging of massive superoxide accumulation in cellular models; reduction in lesion number with chronic administration in mice

KEY ELEMENTS

- Targeting sporadic and familial symptomatic CCM
- Patients with *CCM1*, *CCM2*, and *CCM3* mutations
- Once daily oral dosing
- US and EU Orphan Drug Designation granted

Julia – living with CCM

Phase 2a Study Design



Clinical Program – REC-2282 for *NF2*-Mutated Progressive Meningioma

INCIDENCE

33,000 **US + EU5**

CAUSE

LOF mutations in *NF2* tumor suppressor gene

PATHOPHYSIOLOGY

Inherited rare CNS tumor syndrome leading to loss of hearing and mobility, other focal neurologic deficits

OUR REASON TO BELIEVE

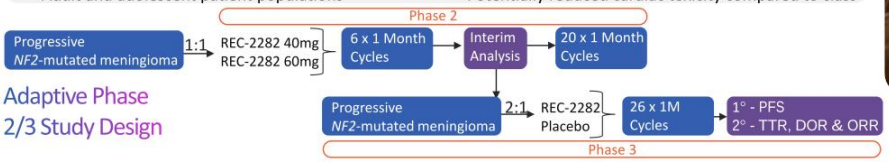
Efficacy in Recursion OS, cellular, & animal models; suppression of aberrant ERK, AKT, and S6 pathway activation in a Phase 1 PD Study in NF2 patient tumors

KEY ELEMENTS

- Targeting familial and sporadic NF2 meningioma patients
- Adult and adolescent patient populations
- Oral bioavailability and CNS exposure together are unique among clinical-stage HDAC inhibitors
- Potentially reduced cardiac toxicity compared to class

Ricki – living with NF2

Adaptive Phase 2/3 Study Design



Clinical Program – REC-4881 for Familial Adenomatous Polyposis (FAP)

PREVALENCE

50,000 **US + EU5**

CAUSE

Inactivating mutations in the tumor suppressor gene *APC*

PATHOPHYSIOLOGY

Polyps throughout the GI tract with extremely high risk of malignant transformation

OUR REASON TO BELIEVE

Efficacy in the Recursion OS shows that specific MEK 1/2 inhibitors had a specific effect in context of *APC* LOF. Subsequent mouse model APC^{min} showed potent reduction in polyps and dysplastic adenomas

KEY ELEMENTS

- Targeting Classical FAP patients (w/ *APC* mutation)
- Benign polyps and dysplastic adenomas
- Oral Dosing & Gut-Biased
- US Orphan Drug Designation granted

Phase 2 Study Design

Near Clinical Program – REC-3964 for Recurrence or Prevention of Clostridium difficile Colitis

INCIDENCE

730,000 **US + EU5**

CAUSE

Release of C. Difficile toxins by colonizing bacterium causes degradation of colon cell junction, toxin transit to bloodstream, and morbidity to host

PATHOPHYSIOLOGY

Highly recurrent infectious disease with severe diarrhea, colitis, and risk of toxic megacolon, sepsis, and death

OUR REASON TO BELIEVE

Efficacy on the Recursion OS identified a new chemical entity for prophylaxis and recurrent C. difficile infection via glycosyl transferase inhibition with potential to be both orally active and gut-biased

KEY TPP ELEMENTS

- Orally active small molecule toxin inhibitor
- Non-antibiotic approach with potential for combination with SOC and other therapies for recurrent disease
- Designed for gut-biased pharmacology to target infection in the GI tract while reducing systemic exposure and potential systemic effects
- Not expected to negatively impact the gut microbiome

Colleen – overcame recurrent C diff.

Tumor-intrinsic immune resistance

STK11

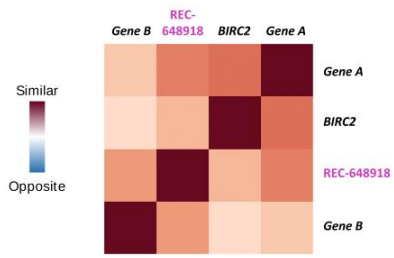
Target Alpha

Target Beta

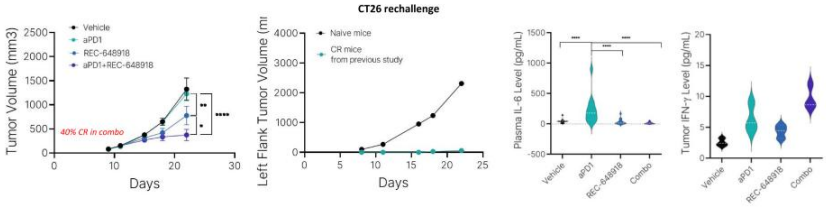
More...

Target α: Small molecule to enhance anti-PD-(L)1 response in the presence of checkpoint resistance mutations

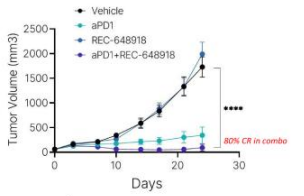
- **Goal:** Identify novel compounds capable of re-sensitizing tumors with tumor-intrinsic resistance factors to checkpoint therapy
- **Phenomap insight:** Novel compound (REC-648918) identified with similarity to knockout of potential immunotherapy resistance gene targets (*Gene A*, *Gene B*)
- **Result:** Reduction in tumor growth vs. anti-PD-1 alone in both CT26 checkpoint resistance and EMT6 models (including 40% and **80% complete response** in combination in each model respectively)



Efficacy demonstrated in CT26 checkpoint resistance (left) mouse model; complete response (CR) mice show minimal tumor growth when rechallenged (middle left). Peripheral IL-6 remain unchanged (middle right) while intertumoral IFNγ increases



Efficacy demonstrated in EMT6 mouse model



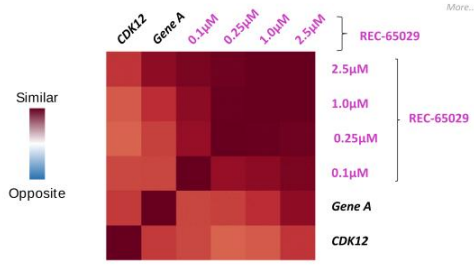
CT26: mouse colon carcinoma. REC-648918 was dosed PO, QD for 5 weeks at 100mg/kg. Anti-PD-1 was dosed IP, BIW for 5 weeks at 10mg/kg. 10 mice per group, dosing initiated when tumors reached ~ 80 mm3; * p<0.05 ** p<0.01 **** p<0.0001; ^ Combination treatment in EMT6 resulted in 8 CR and 8 rejections on re-challenge

Tumor-targeted precision therapeutics

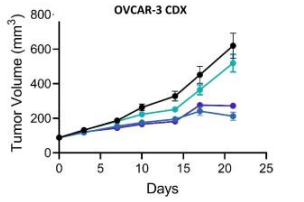
Hepatocellular Carcinoma
MYC
CDK12
More...

CDK12: Small molecule for the potential treatment of HRD-negative cancers resistant to PARP inhibitors

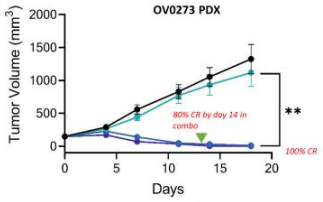
- **Goal:** Identify novel compounds capable of sensitizing HRD-negative ovarian cancer and other tumors to PARP inhibition
- **Phenomap insight:** Inhibition of target *Gene A* (for example, with REC-65029) may mimic inhibition of CDK12 while mitigating toxicity due to CDK13 inhibition
- **Result:** Single agent and combo activity with olaparib in an HRD-negative ovarian cancer CDX and PDX models with durable response

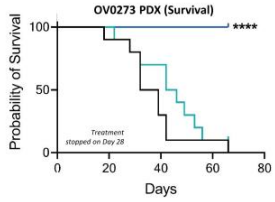


Single agent activity in olaparib-resistant CDX mouse model



Single agent and combination (with olaparib) in an HRD-*negative* ovarian cancer PDX model with durable response





Vehicle — Olaparib — REC-65029 — REC-65029 + Olaparib

OVCAR-3 CDX – animals dosed with REC-65029 for 5 days at 100 mg/kg BID, a holiday from days 6-9 (due to body weight loss) and dosing resumed at 85 mg/kg BID; OV0273 PDX – REC-65029 dosed at 85 mg/kg PO, BID, olaparib dosed at 90mg/kg PO QD; ** p<0.01 **** p<0.0001

26

What it takes to make this happen – a new kind of team and culture at the interface

Team Credentials

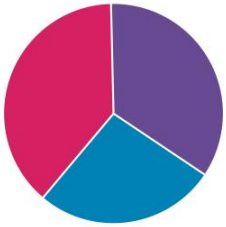
400+ Employees today

41% Advanced degrees

Gender: % Women

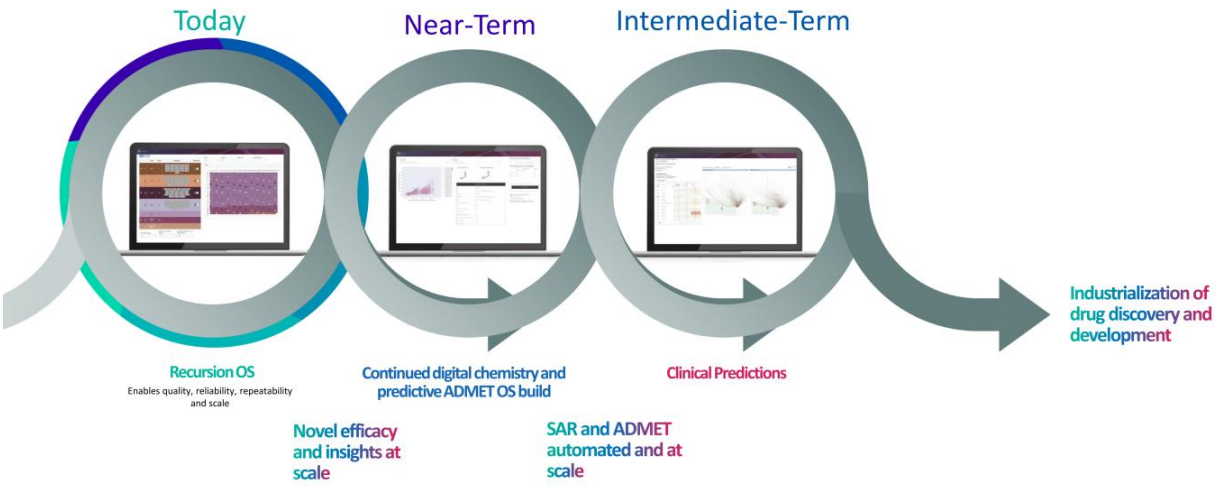
44% All employees

41% VP and above



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

The roadmap


Today
Near-Term
Intermediate-Term
Industrialization of drug discovery and development
Recursion OS
Enables quality, reliability, repeatability and scale
Continued digital chemistry and predictive ADMET OS build
Clinical Predictions
Novel efficacy and insights at scale
SAR and ADMET automated and at scale

What to expect from Recursion

Near-Term Milestones

Clinical Programs

- Rec-994 for CCM Ph2a clinical start in Q1
- Rec-2282 for NF2 Ph2/3 clinical start in Q2
- Rec-4881 for FAP Ph2 clinical start in Q2 or Q3
- Rec-3964 for C diff. IND and Phase 1 start in 2H
- Additional INDs and Clinical Starts
- Option Exercises for Partnership Programs

Medium-term milestones

- Multiple POC readout(s) for AI-discovered programs
- Potential additional partnership in large, intractable area of biology
- Additional option exercises for partnership programs
- Recursion OS Begins to move to Autonomous Map Building and Navigation with Automated Chemical Synthesis, Digital Chemistry and Predictive ADMET Tools
- In-House Small Molecule Manufacturing Capabilities come On-Line

Strong Financials

- $517M in cash, equivalents & investments with no substantial debt at end of Q4, 2021
- Does not include $150M upfront from Roche/Genentech collaboration


IMPACT
RECURSION

Appendix: Our leadership team brings together experience & innovation to build the OS for scaling biopharma discovery

Board of Directors

CHRIS GIBSON, PHD
Co-founder & CEO

DEAN LI, MD/PHD
Recursion Co-founder, President of Merck Research Labs

BLAKE BORGESON, PHD
Recursion Co-founder, Board member Machine Intelligence Research Institute

ZAVAIN DAR
Partner, Lux Capital

ZACHARY BOGUE, JD
Partner, Data Collective

ROBERT HERSHBERG, MD/PHD
Former EVP CSO & BD, Celgene

TERRY-ANN BURRELL, MBA
CFO & Treasurer Beam Therapeutics

R. MARTIN CHAVEZ
Vice-Chair of 6th Street Financial. Former CFO/CIO at GS

Executive Team

CHRIS GIBSON, PHD
Co-Founder & CEO

TINA LARSON
President & COO

SHAFIQUE VIRANI, MD FRCS
Chief Corp Dev Officer

MASON VICTORS
Chief Product Officer

RAMONA DOYLE, MD
Chief Medical Officer

HEATHER KIRKBY
Chief People Officer

BEN MABEY
Chief Technology Officer

MICHAEL SECORA, PHD
Chief Financial Officer

LOUISA DANIELS, JD
Chief Legal Officer & General Counsel

Appendix: A biotechnology company scaling more like a technology company

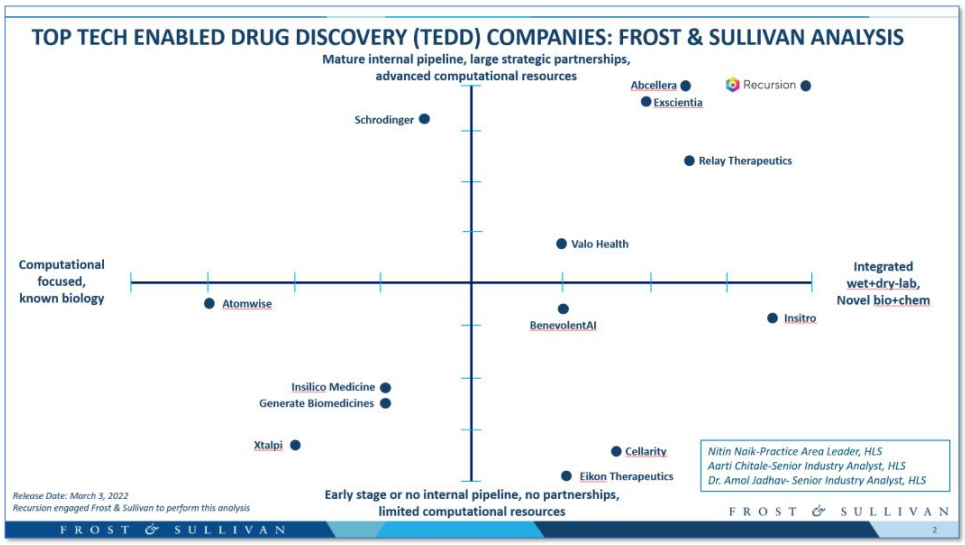
- Growth in capabilities, proprietary data, programs, and partnerships

- Increasing business opportunities
- Reducing binary risks

Year	2018	2019	2020	2021
Total Phenomic Experiments (Millions)	8	24	56	115
Data (PB)	1.8	4.3	6.8	12.9
Cell Types	12	25	36	38
Total Chemical Library[1] (Thousands)	24	106	706	978
In Silico Chemistry Library (Billions)	0	0.02	3	12
Predicted Biological and Chemical Relationships[2] (Billions)	NA	NA	13	203
IND-Enabling and Clinical Stage Programs	1	2	4	5
Cumulative Upfront and Investment Payments Committed by Partners[3]	$0	$0	$80M	$230M
Cumulative Potential Payments from Partners Excluding Royalties	$0	$0	>$1B	>$13B

We are a biotechnology company scaling more like a technology company, as demonstrated by our growth in inputs (experiments) and growth in outputs (data, biological and chemical relationships, programs, and partnerships). (1) Includes approximately 500,000 compounds from Bayer's proprietary library. (2) 'Predicted Relationships' refers to the number of Unique Perturbations that have been predicted using our maps. (3) Announced a collaboration with Roche and Genentech in December 2021 and received an upfront payment of $150 million in January 2022.

Appendix: Recursion is a leading pharmatech company



Appendix: Highlights from our inaugural ESG report

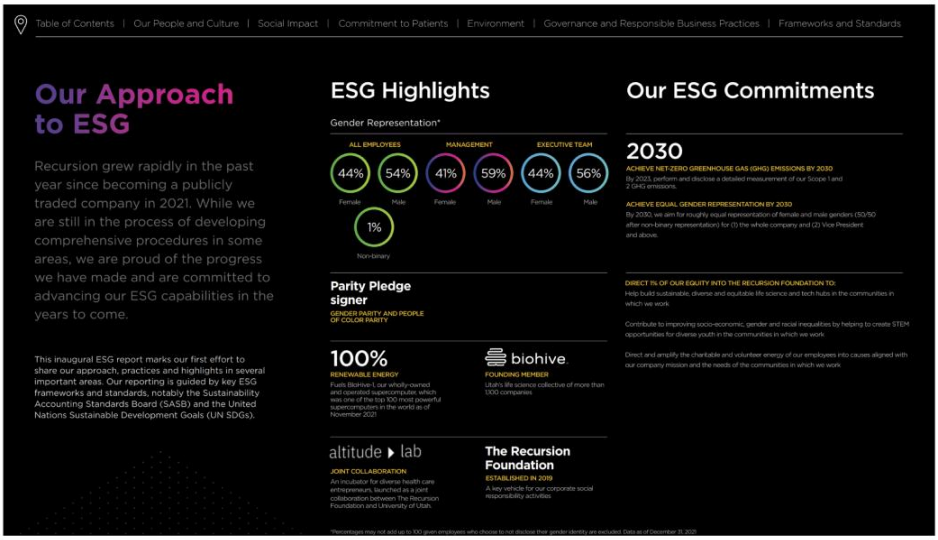


Table of Contents | Our People and Culture | Social Impact | Commitment to Patients | Environment | Governance and Responsible Business Practices | Frameworks and Standards

Our Approach to ESG

Recursion grew rapidly in the past year since becoming a publicly traded company in 2021. While we are still in the process of developing comprehensive procedures in some areas, we are proud of the progress we have made and are committed to advancing our ESG capabilities in the years to come.

This inaugural ESG report marks our first effort to share our approach, practices and highlights in several important areas. Our reporting is guided by key ESG frameworks and standards, notably the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs).

ESG Highlights

Gender Representation*

ALL EMPLOYEES		MANAGEMENT		EXECUTIVE TEAM	
44%	54%	41%	59%	44%	56%
Female	Male	Female	Male	Female	Male

1% Non-binary

Parity Pledge signer
GENDER PARITY AND PEOPLE OF COLOR PARITY

100%
RENEWABLE ENERGY
Fuels BioHive-1, our wholly-owned and operated supercomputer, which was one of the top 100 most powerful supercomputers in the world as of November 2021

biohive
FOUNDING MEMBER
Utah's life science collective of more than 1,000 companies

altitude ▸ lab
JOINT COLLABORATION
An incubator for diverse health care entrepreneurs, launched as a joint collaboration between The Recursion Foundation and University of Utah.

The Recursion Foundation
ESTABLISHED IN 2019
A key vehicle for our corporate social responsibility activities

*Percentages may not add up to 100 given employees who choose to not disclose their gender identity are excluded. Data as of December 31, 2021

Our ESG Commitments

2030

ACHIEVE NET-ZERO GREENHOUSE GAS (GHG) EMISSIONS BY 2030
By 2023, perform and disclose a detailed measurement of our Scope 1 and 2 GHG emissions.

ACHIEVE EQUAL GENDER REPRESENTATION BY 2030
By 2030, we aim for roughly equal representation of female and male genders (50/50 after non-binary representation) for (1) the whole company and (2) Vice President and above.

DIRECT 1% OF OUR EQUITY INTO THE RECURSION FOUNDATION TO:
Help build sustainable, diverse and equitable life science and tech hubs in the communities in which we work

Contribute to improving socio-economic, gender and racial inequalities by helping to create STEM opportunities for diverse youth in the communities in which we work

Direct and amplify the charitable and volunteer energy of our employees into causes aligned with our company mission and the needs of the communities in which we work