

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Recursion Pharmaceuticals, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**46-4099738**  
(I.R.S. Employer  
Identification Number)

**41 S Rio Grande Street  
Salt Lake City, Utah 84101  
(385) 269-0203**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Nathan Hatfield  
Senior Vice President and Head of Legal  
41 S Rio Grande Street  
Salt Lake City, Utah 84101  
(385) 269-0203**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Copies to:**

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701 Fifth Avenue  
Suite 5100  
Seattle, Washington 98104-7036  
(206) 883-2500**

**From time to time after the effective date of this registration statement.**  
(Approximate date of commencement of proposed sale to the public)

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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 7(a)(2)(B) of Securities Act.



## Recursion Pharmaceuticals, Inc.

### Up to 5,904,827 Shares of Class A Common Stock Issuable Upon Exchange of Exchangeable Shares Up to 31,132 Shares of Class A Common Stock Issuable Upon Exercise of Certain Outstanding Options 2,168,020 Shares of Class A Common Stock Offered by Selling Stockholders

We are registering the issuance, from time to time, of shares of our Class A common stock consisting of:

- up to 5,904,827 shares of Class A common stock (the “Exchange Shares”), that we may issue upon exchange, retraction or redemption of exchangeable shares of 14998685 Canada Inc., a corporation governed by the laws of Canada and an indirect wholly-owned subsidiary of ours that is referred to in this prospectus as “Exchangeco.” We refer to the exchangeable shares of Exchangeco as the “Exchangeable Shares;” and
- up to 31,132 shares of Class A common stock issuable upon the exercise of options (the “Options”) by former service providers of Valence Discovery Inc. (“Valence”) that are not eligible to be registered on Form S-8. The Options were issued by Valence but assumed by us and exchanged for options that are exercisable for shares of our Class A common stock in connection with the Valence Acquisition described below.

We are also registering the proposed resale or other disposition from time to time of up to 2,168,020 shares of our Class A common stock (the “Resale Shares”) by the selling stockholders identified in this prospectus that were issued or may be issued to the selling stockholders in connection with the Valence Acquisition. We relied upon the exemption from registration provided by section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and the rules promulgated thereunder with respect to the initial issuance of Resale Shares.

In connection with our acquisition of 100% of the issued and outstanding equity securities of Valence (the “Valence Acquisition”), Exchangeco issued Exchangeable Shares to certain eligible Valence shareholders in lieu of shares of our Class A common stock. Additional Exchangeable Shares may be issued due to shares withheld for post-closing adjustments and indemnification claims and the shares issuable upon exchange, retraction, or redemption of such shares are included in the Exchange Shares. The Exchangeable Shares will not be registered under the Securities Act, and we relied upon the exemption from registration provided by section 4(a)(2) of the Securities Act and the rules promulgated thereunder with respect to the issuance of Exchangeable Shares. Each Exchangeable Share may be exchanged at the election of the holder for one share of our Class A common stock (subject to adjustments to maintain economic equivalence between our Class A common stock and the Exchangeable Shares). In addition, under certain circumstances, Exchangeco can redeem the Exchangeable Shares in exchange for shares of our Class A common stock on a one-for-one basis (subject to adjustments to maintain economic equivalence between our Class A common stock and Exchangeable Shares).

The selling stockholders (which term as used herein includes their respective donees, pledgees, assignees, transferees and other successors in interest) may sell any or all of their Resale Shares from time to time on The Nasdaq Global Select Market or any other stock exchange, market, or trading facility on which shares of our Class A common stock are traded or in private transactions. These sales may be at fixed prices, at prevailing market prices at the time of sale, at varying prices determined at the time of sale, or at negotiated prices. See “Plan of Distribution” in this prospectus.

The selling stockholders may sell some, all or none of the Resale Shares offered by this prospectus and we do not know when or in what amount the selling stockholders may sell their Resale Shares hereunder.

Because (i) the Exchange Shares offered by us in this prospectus will be issued only in exchange for or upon retraction or redemption of the Exchangeable Shares and (ii) we will not receive any of the proceeds from the sale of the Resale Shares by the selling stockholders, we will not receive any cash proceeds from the offering of the Exchange Shares or the Resale Shares. Upon the issuance of the registered shares of Class A common stock upon such exchange, retraction or redemption of outstanding Exchangeable Shares, we will cancel an equal number of currently outstanding Exchangeable Shares of Exchangeco. We expect to receive nominal proceeds, if any, from the issuance of shares of our Class A common stock upon the exercise of the Options. All expenses of registration

incurred in connection with this offering are being borne by us. All selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

We are registering the Exchange Shares and the Resale Shares pursuant to a registration agreement, entered into as of the closing of the Valence Acquisition on May 16, 2023, by and among Recursion Pharmaceuticals, Inc., Exchangeco. and certain shareholders of Valence. The Exchange Shares and the Resale Shares offered by this prospectus may not be sold without delivery of this prospectus and any prospectus supplement describing the method and terms of the offering.

Our Class A common stock is listed on the Nasdaq Global Select Market (“Nasdaq”) under the symbol “RXRX.” On May 30, 2023, the last reported sale price of our Class A common stock on Nasdaq was \$8.82 per share.

**Investing in our Class A common stock involves risks. Please carefully read the information under the headings “Risk Factors” beginning on page 3 of this prospectus and the information included and incorporated by reference in this prospectus before you invest in our Class A common stock.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is May 30, 2023.

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In making your investment decision, you should rely only on the information contained in this prospectus and any prospectus supplement or free writing prospectus prepared by us, the selling stockholders or on behalf of us or the selling stockholders or the information to which we have referred you to or incorporated by reference into this prospectus. You should review carefully all of the detailed information appearing in this prospectus, any prospectus supplement, any free writing prospectus and the documents we have incorporated by reference before making any investment decision. Neither we nor the selling stockholders have authorized anyone to give you any information or to make any representations about us, the selling stockholders or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. Neither we nor the selling stockholders take responsibility for, or provide any assurance as to the reliability of, any other information that others may give you. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. The information in this prospectus is not complete. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our securities. You should not assume that the information contained in the documents incorporated by reference into this prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus incorporates by reference, and any applicable prospectus supplement or free writing prospectus may contain and incorporate by reference, market data and industry statistics and forecasts that are based on independent industry publications and other publicly available information. Although we believe these sources are reliable, we do not guarantee the accuracy or completeness of this information and we have not independently verified this information. In addition, the market and industry data and forecasts that may be included or incorporated by reference in this prospectus, any applicable prospectus supplement or any applicable free writing prospectus may involve estimates, assumptions and other risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" contained in this prospectus, any applicable prospectus supplement and any applicable free writing prospectus, and under similar headings in other documents that are incorporated by reference into this prospectus. Accordingly, investors should not place undue reliance on this information. This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or are incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the heading "Where You Can Find More Information; Incorporation by Reference."

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in this prospectus.

## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, as a “well-known seasoned issuer” as defined in Rule 405 of the Securities Act of 1933, as amended, using a “shelf” registration process. Under this shelf registration process, we may issue the securities offered by this prospectus from time to time. As permitted under the rules of the SEC, this prospectus incorporates important information about Recursion Pharmaceuticals, Inc. that is contained in documents that we file with the SEC, but that is not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the website maintained by the SEC at [www.sec.gov](http://www.sec.gov), as well as other sources. See “Where You Can Find More Information; Incorporation by Reference” in this prospectus.

Each time that Exchange Shares and Resale Shares are offered and sold hereunder, one or more prospectus supplements to this prospectus may be provided that will contain specific information about the shares of Class A common stock being offered and sold and the specific terms of the offering. We and/or the applicable selling stockholder may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings. If there is any inconsistency between the information contained or incorporated by reference or any prospectus supplement or free writing prospectus, you should rely on the prospectus supplement or free writing prospectus, as applicable.

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement or in any free writing prospectus that we may provide you. Neither we, nor the selling stockholders, have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus, any applicable prospectus supplement or any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We and the selling stockholders take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. You should assume that the information appearing in this prospectus, any prospectus supplement, the documents incorporated by reference and any related free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates. We and the selling stockholders are not making offers to sell the shares of Class A common stock described in this prospectus in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the information incorporated by reference in this prospectus contain statements, estimates and projections that are “forward-looking statements” as defined under U.S. federal securities laws. These forward-looking statements represent our beliefs, projections and predictions about future events or our future performance, and speak only as of the date we make them. You can identify forward-looking statements by terminology such as “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “will” or the negative or plural of these terms or other similar expressions or phrases, including references to assumptions. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that such plans, intentions or expectations will be achieved. By their nature, forward-looking statements involve risks, uncertainties, and other factors (many beyond our control) that could cause our actual results to differ materially from our historical experience or from our current expectations or projections. Some of these risks are described more fully under the heading “Risk Factors” in our most recent Annual Report on Form 10-K, which is incorporated by reference into this prospectus, in this prospectus under the heading “Risk Factors” below, and elsewhere in documents we file with the SEC, which are incorporated by reference in this prospectus. Important factors that could cause actual results to differ materially from our forward-looking statements include, but are not limited to:

- our ability to successfully integrate Valence or other acquisitions into our operations or that Valence or other acquisitions may fail to perform in accordance with expectations;
- our ability to realize anticipated outcomes and benefits from Valence or other acquisitions;
- any unexpected costs or liabilities that may arise from the Valence Acquisition or other acquisitions, or the ownership and operation of Valence or other acquired companies;
- results of our research and development programs;
- the initiation, timing, progress, results, and cost of our current and future preclinical and clinical studies, including statements regarding the design of, and the timing of initiation and completion of, studies and related preparatory work, as well as the period during which the results of the studies will become available;
- the ability of our clinical trials to demonstrate the safety and efficacy of our drug candidates, and other positive results;
- the ability and willingness of our collaborators to continue research and development activities relating to our development candidates and investigational medicines;
- future agreements with third parties in connection with the commercialization of our investigational medicines and any other approved product;
- the timing, scope, and likelihood of regulatory filings and approvals, including the timing of Investigational New Drug applications and final approval by the U.S. Food and Drug Administration, or FDA, of our

- current drug candidates and any future drug candidates, as well as our ability to maintain any such approvals;
- the timing, scope, or likelihood of foreign regulatory filings and approvals, including our ability to maintain any such approvals;
- the size of the potential market opportunity for our drug candidates, including our estimates of the number of patients who suffer from the diseases we are targeting;
- our ability to identify viable new drug candidates for clinical development and the rate at which we expect to identify such candidates, whether through an inferential approach or otherwise;
- our expectation that the assets that will drive the most value for us are those that we will identify in the future using our datasets and tools;
- our ability to develop and advance our current drug candidates and programs into, and successfully complete, clinical studies;
- our ability to reduce the time or cost or increase the likelihood of success of our research and development relative to the traditional drug discovery paradigm;
- our ability to improve, and the rate of improvement in, our infrastructure, datasets, biology, technology tools, and drug discovery platform, and our ability to realize benefits from such improvements;
- our expectations related to the performance and benefits of our BioHive-1 supercomputer;
- our ability to realize a return on our investment of resources and cash from our drug discovery collaborations;
- our ability to scale like a technology company and to add more programs to our pipeline each year;
- our ability to successfully compete in a highly competitive market;
- our manufacturing, commercialization, and marketing capabilities and strategies;
- our plans relating to commercializing our drug candidates, if approved, including the geographic areas of focus and sales strategy;
- our expectations regarding the approval and use of our drug candidates in combination with other drugs;
- the rate and degree of market acceptance and clinical utility of our current drug candidates, if approved, and other drug candidates we may develop;
- our competitive position and the success of competing approaches that are or may become available;
- our estimates of the number of patients that we will enroll in our clinical trials and the timing of their enrollment;
- the beneficial characteristics, safety, efficacy, and therapeutic effects of our drug candidates;
- our plans for further development of our drug candidates, including additional indications we may pursue;
- our ability to adequately protect and enforce our intellectual property and proprietary technology, including the scope of protection we are able to establish and maintain for intellectual property rights covering our current drug candidates and other drug candidates we may develop, receipt of patent protection, the extensions of existing patent terms where available, the validity of intellectual property rights held by third parties, the protection of our trade secrets, and our ability not to infringe, misappropriate or otherwise violate any third-party intellectual property rights;
- the impact of any intellectual property disputes and our ability to defend against claims of infringement, misappropriation, or other violations of intellectual property rights;
- our ability to keep pace with new technological developments;
- our ability to utilize third-party open source software and cloud-based infrastructure, on which we are dependent;
- the adequacy of our insurance policies and the scope of their coverage;
- the potential impact of a pandemic, epidemic, or outbreak of an infectious disease, such as COVID-19, or natural disaster, global political instability, or warfare, and the effect of such outbreak or natural disaster, global political instability, or warfare on our business and financial results;
- our ability to maintain our technical operations infrastructure to avoid errors, delays, or cybersecurity breaches;
- our continued reliance on third parties to conduct additional clinical trials of our drug candidates, and for the manufacture of our drug candidates for preclinical studies and clinical trials;
- our ability to obtain, and negotiate favorable terms of, any collaboration, licensing or other arrangements that may be necessary or desirable to research, develop, manufacture, or commercialize our platform and drug candidates;
- the pricing and reimbursement of our current drug candidates and other drug candidates we may develop, if approved;
- our estimates regarding expenses, future revenue, capital requirements, and need for additional financing;
- our financial performance;
- the period over which we estimate our existing cash and cash equivalents will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our ability to raise substantial additional funding;
- the impact of current and future laws and regulations, and our ability to comply with all regulations that we are, or may become, subject to;
- the need to hire additional personnel and our ability to attract and retain such personnel;
- the impact of any current or future litigation, which may arise during the ordinary course of business and be costly to defend;
- our anticipated use of our existing resources and the net proceeds from our initial public offering; and
- other risks and uncertainties.



Any forward-looking statements in this prospectus reflect our current views with respect to future events and future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those described under Part II, Item 1A, Risk Factors and elsewhere in our most recent Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 and our most recent Annual Report on Form 10-K for the period ended December 31, 2022, and our Current Reports on Form 8-K, and the section of any accompanying prospectus supplement entitled "Risk Factors." Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. All forward-looking statements, expressed or implied, included in this prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

This prospectus and the documents incorporated by reference also contain estimates, projections and other information concerning our industry, the general business environment, and the markets for certain diseases, including estimates regarding the potential size of those markets and the estimated incidence and prevalence of certain medical conditions. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events, circumstances or numbers, including actual disease prevalence rates and market size, may differ materially from the information provided. Unless otherwise expressly stated, we obtained this industry information, business information, market data, prevalence information and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data, and similar sources, in each case, from sources we consider to be reliable, and in some cases applying our own assumptions and analysis that may, in the future, prove not to have been accurate.

## WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies of certain information filed by us with the SEC are also available on our website at <https://www.recursion.com/>. Information accessible on or through our website is not a part of this prospectus.

### Incorporation by Reference

The SEC allows us to incorporate by reference much of the information that we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus is considered to be part of this prospectus. Because we are incorporating by reference future filings with the SEC, this prospectus is continually updated and those future filings may modify or supersede some of the information included or incorporated by reference in this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any document previously incorporated by reference have been modified or superseded. This prospectus incorporates by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (in each case, other than those documents or the portions of those documents furnished pursuant to Items 2.02 or 7.01 of any Current Report on Form 8-K and, except as may be noted in any such Form 8-K, exhibits filed on such form that are related to such information), until the offering of the securities under the registration statement of which this prospectus forms a part is terminated or completed:

- our Annual Report on [Form 10-K](#) for the year ended December 31, 2022;
- our Quarterly Report on [Form 10-Q](#) for the quarter ended March 31, 2023;
- the portions of our [Definitive Proxy Statement](#) on Schedule 14A (other than information furnished rather than filed) that are incorporated by reference into our Annual Report on [Form 10-K](#), filed with the SEC on April 28, 2023;
- our Current Reports on Form 8-K filed on [January 25, 2023](#), [May 8, 2023](#), and [May 17, 2023](#); and
- The description of our Class A Common Stock contained in the Registration Statement on [Form 8-A](#) relating thereto, filed on April 12, 2021, including any amendment or report filed for the purpose of updating such description (including [Exhibit 4.3](#) to our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 23, 2022).

Upon request, we will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, a copy of the documents incorporated by reference into this prospectus supplement but not delivered with the prospectus. You may request a copy of these filings, and any exhibits we have specifically incorporated by reference as an exhibit in this prospectus, at no cost by requesting them in writing or by telephone from us at the following address:

Recursion Pharmaceuticals, Inc.  
41 S Rio Grande Street  
Salt Lake City, Utah 84101  
Attn: Investor Relations  
(385) 269-0203

This prospectus is part of a registration statement we filed with the SEC. We have incorporated exhibits into this registration statement. You should read the exhibits carefully for provisions that may be important to you.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or in the documents incorporated by reference is accurate as of any date other than the date on the front of this prospectus or those documents.

## PROSPECTUS SUMMARY

*This summary highlights selected information that is presented in greater detail elsewhere, or incorporated by reference, in this prospectus. It does not contain all of the information that may be important to you and your investment decision. Before investing in our securities, you should carefully read this entire prospectus, and any prospectus supplement, including the matters set forth under the section of this prospectus captioned “Risk Factors” and the financial statements and related notes and other information that we incorporate by reference herein, including our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, and any subsequently filed Quarterly Reports on Form 10-Q. You should carefully read the additional documents we have referred you to in the “Where You Can Find More Information; Incorporation by Reference” section of the prospectus for information about us. Unless the context indicates otherwise, references in this prospectus to “Recursion,” “we,” “our” and “us” refer, collectively, to Recursion Pharmaceuticals, Inc., a Delaware corporation, and its subsidiaries taken as a whole.*

### Company Overview

We are a clinical stage TechBio company leading this burgeoning space by decoding biology to industrialize drug discovery. Central to our mission is the Recursion Operating System (OS), a platform built across diverse technologies that enables us to map and navigate trillions of biological and chemical relationships within the Recursion Data Universe, one of the world’s largest proprietary biological and chemical datasets. We frame this integration of the physical and digital components as iterative loops of atoms and bits. Scaled ‘wet-lab’ biology and chemistry data built in-house (atoms) are organized into virtuous cycles with ‘dry-lab’ computational tools (bits) to rapidly translate in silico hypotheses into validated insights and novel chemistry. Our focus on mapping and navigating the complexities of biology and chemistry beyond the published literature and in a target-agnostic way differentiates us from other companies in our space and leads us to confront a fundamental cause of failure for the majority of clinical-stage programs—the wrong target is chosen due to an incomplete and reductionist view of biology. Our balanced team of life scientists and computational and technical experts creates an environment where empirical data, statistical rigor, and creative thinking are brought to bear on our decisions.

We leverage our Recursion OS to enable three key value drivers:

1. An expansive pipeline of internally-developed clinical and preclinical programs focused on genetically-driven rare diseases and oncology with significant unmet need and market opportunities in some cases potentially in excess of \$1 billion in annual sales.
2. Transformational partnerships with leading biopharma companies to map and navigate intractable areas of biology, identify novel targets, and develop potential new medicines that are further developed in resource-heavy clinical trials overseen by our partners.
3. Development of one of the largest fit-for-purpose proprietary biological and chemical datasets in the world at a time when advances in AI paired with the right training data are creating disruptive value.

### Corporate Information and History

We were formed in Delaware as a limited liability company in November 2013 under the name Recursion Pharmaceuticals, LLC. In September 2016, we converted to a Delaware corporation and subsequently changed our name to Recursion Pharmaceuticals, Inc. Our principal executive office is located at 41 S Rio Grande Street, Salt Lake City, Utah 84101. Our telephone number is (385) 269-0203. Our website is [www.recursion.com](http://www.recursion.com). Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus or any applicable prospectus supplement and is not incorporated by reference herein or therein. We have included our website address in this prospectus solely for informational purposes and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus or in deciding whether to purchase shares of our Class A common stock.

We use the Recursion logo and other marks as trademarks in the United States and other countries. This prospectus contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork, and other visual displays, may appear without the TM symbol, but such references are not intended to indicate in any way that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other entities’ trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other entity.

### Description of the Valence Acquisition

On May 8, 2023, we and 14998685 Canada Inc., a corporation governed by the laws of Canada and an indirect wholly-owned subsidiary of ours (“Exchangeco”), entered into a Share Purchase Agreement (the “Purchase Agreement”) with Valence Discovery Inc. (“Valence”) pursuant to which Exchangeco acquired 100% of the outstanding equity securities of Valence (the “Valence Acquisition”). The closing of the Valence Acquisition occurred on May 16, 2023. In connection with the closing of the Valence Acquisition, we issued (i) shares of our

Class A common stock to certain Valence shareholders (the "Closing Shares"), (ii) Exchangeco issued shares of Exchangeco to certain eligible Valence shareholders in lieu of shares of our Class A common Stock, which are exchangeable for shares of our Class A common stock (the "Exchangeable Shares"), or (iii) cash paid in lieu of shares to unaccredited investors. Outstanding options to purchase shares of Valence were assumed by us and exchanged for options that are exercisable for shares of our Class A common stock. Post-closing adjustments and shares withheld for potential indemnification claims may result in the issuance of additional shares of our Class A common stock and Exchangeable Shares.

Each Exchangeable Share may be exchanged at the election of the holder for one share of our Class A common stock (subject to adjustments to maintain economic equivalence between our Class A common stock and the Exchangeable Shares). In addition, under certain circumstances, Exchangeco can redeem Exchangeable Shares in exchange for shares of our Class A common stock on a one-for-one basis (subject to adjustments to maintain economic equivalence between our Class A common stock and the Exchangeable Shares). The Exchangeable Shares are not entitled to cast votes on matters for which holders of shares of our Class A common stock are entitled to vote nor are the Exchangeable Shares listed for trading on any stock exchange. Upon the issuance of the registered shares of Class A common stock upon such exchange, retraction or redemption of outstanding Exchangeable Shares, we will cancel an equal number of currently outstanding Exchangeable Shares of Exchangeco.

#### **The Offering**

We are registering the issuance, from time to time, of shares of our Class A common stock consisting of:

- up to 5,904,827 shares of Class A common stock (the "Exchange Shares"), that we may issue upon exchange, retraction or redemption of the Exchangeable Shares; and
- up to 31,132 shares of Class A common stock issuable upon the exercise of options (the "Options") by former service providers that are not eligible to be registered on Form S-8. The Options were issued by Valence but assumed by us and exchanged for options that are exercisable for shares of our Class A common stock in connection with the Valence Acquisition.

We are also registering the proposed resale or other disposition from time to time of up to 2,168,020 shares of our Class A common stock (the "Resale Shares") by the selling stockholders identified in this prospectus that were or may be issued to the selling stockholders in connection with the Valence Acquisition.

Because (i) the Exchange Shares offered by us in this prospectus will be issued only in exchange for or upon retraction or redemption of the Exchangeable Shares and (ii) we will not receive any of the proceeds from the sale of the Resale Shares by the selling stockholders, we will not receive any cash proceeds from the offering of the Exchange Shares or the Resale Shares. We expect to receive nominal proceeds to, if any, from the issuance of shares of our Class A common stock upon the exercise of the Options. All expenses of registration incurred in connection with this offering are being borne by us. All selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

## RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks referenced below and described in the documents incorporated by reference in this prospectus and any applicable prospectus supplement, as well as other information we include or incorporate by reference into this prospectus and any applicable prospectus supplement, before making an investment decision. Our business, financial condition or results of operations could be materially and adversely affected by the materialization of any of these risks. The trading price of our securities could decline due to the materialization of any of these risks, and you may lose all or part of your investment. This prospectus and the documents incorporated herein by reference also contain forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks referenced below and described in the documents incorporated herein by reference, including (i) our annual report on Form 10-K for the fiscal year ended December 31, 2022, which is on file with the SEC and is incorporated herein by reference, (ii) our quarterly report on Form 10-Q for the quarter ended March 31, 2023, which is on file with the SEC and incorporated herein by reference, and (iii) other documents we subsequently file with the SEC that are deemed incorporated by reference into this prospectus.

### Risks Related to the Valence Acquisition

*We may not realize all of the anticipated outcomes and benefits of the Valence Acquisition.*

The benefits we expect to achieve as a result of the Valence Acquisition will depend, in part, on our ability to realize anticipated growth opportunities and cost synergies. Our success in realizing these growth opportunities and cost synergies, and the timing of this realization, depends on the successful integration of Valence's business and operations with our business and operations. Even if we are able to integrate our business with Valence's business successfully, this integration may not result in the realization of the outcomes and benefits, growth opportunities and cost synergies we currently expect within the anticipated time frame or at all. Moreover, we anticipate that we will incur substantial expenses in connection with the integration of Valence's business with our business. In addition, while we anticipate that certain expenses will be incurred, such expenses are difficult to estimate accurately, and may exceed current estimates.

Accordingly, the outcomes and benefits from the Valence Acquisition may be offset by costs incurred or delays in integrating the companies, which could cause the outcomes and benefits we anticipate to be inaccurate or not realized.

*Exchange rate fluctuations could result in significant foreign currency gains and losses and affect our business results.*

Because the results of Valence are reported in Canadian dollars, which we will then translate to U.S. dollars for inclusion in our consolidated financial statements, we will be exposed to more significant currency translation risk as a result of the Valence Acquisition. As a result, changes between the foreign exchange rates, in particular the Canadian dollar and the U.S. dollar, affect the amounts we record for our foreign assets, liabilities, revenues and expenses, and could have a negative effect on our financial results. We currently do not enter into hedging arrangements to minimize the impact of foreign currency fluctuations.

### Risks Related to the Exchangeable Shares

*Holders of Exchangeable Shares will experience a delay in receiving shares of our Class A common stock from the date they request an exchange as well as for Exchangeable Shares that may be issued with respect to consideration withheld for potential post-closing adjustments and potential indemnification claims under the Purchase Agreement, which may affect the value of the shares the holder receives in an exchange.*

Holders of Exchangeable Shares who request to receive shares of our Class A common stock in exchange for their Exchangeable Shares will not receive shares of our Class A common stock for several days after the applicable request is received. During this period, the market price of our Class A common stock may increase or decrease. Any such increase or decrease would affect the value of the consideration to be received by such holder of Exchangeable Shares upon a subsequent sale of our Class A common stock received in the exchange.

In addition, Exchangeable Shares that may be issuable pursuant to the Purchase Agreement as a result of shares withheld for post-closing adjustments and estimated potential indemnification claims will only be received, if at all, after several months following the closing. During this extended period of time, the market price of our Class A common stock may increase or decrease. Any such increase or decrease would affect the value of the consideration to be received under the Purchase Agreement with respect to the ultimate issuance of Class A common stock issued with respect to such Exchangeable Shares. Such Exchangeable Shares would additionally be subject to market price fluctuations for delays in the receipt of shares of Class A common stock issued upon exchange of such Exchangeable Shares, as discussed in the prior paragraph.

*The Exchangeable Shares will not be listed on any stock exchange.*

The Exchangeable Shares are not expected to be listed on any stock exchange. Although each Exchangeable Share will be exchangeable at the option of the holder for shares of our Class A common stock, there is no market through which the Exchangeable Shares will be sold, and holders may not be able to sell their Exchangeable Shares until after they have been exchanged for our Class A common stock.

***Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law might discourage, delay, or prevent a change in control of our company or changes in our management and, therefore, depress the market prices of our Class A common stock.***

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America is the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware, is the exclusive forum for the following, except for any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court, and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination, which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended- and restated certificate of incorporation or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Our amended and restated bylaws further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These exclusive-forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, and may result in increased costs to stockholders of bringing a claim, each of which may discourage lawsuits against us and our directors, officers and other employees. Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find either exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could seriously harm our business.

#### USE OF PROCEEDS

Because (i) the Exchange Shares offered by us in this prospectus will be issued only in exchange for or upon retraction or redemption of the Exchangeable Shares and (ii) we will not receive any of the proceeds from the sale of the Resale Shares by the selling stockholders, we will not receive any cash proceeds from the offering of the Exchange Shares or the Resale Shares.

We expect to receive nominal proceeds, if any, from the issuance of shares of our Class A common stock upon the exercise of the Options for cash at a price of \$0.21 per share. We expect to use the net proceeds from the exercise of the Options, if any, for general corporate purposes.

We are filing the registration statement of which this prospectus is a part to permit holders of the shares of our common stock included in the section entitled "Selling Stockholders" to resell such shares. The selling stockholders will receive all of the net proceeds from the sale of shares of common stock in this offering. We are not selling any shares of common stock under this prospectus and will not receive any proceeds from the sale of shares by the selling stockholders or if the underwriters exercise their option to purchase additional shares.

All expenses of registration incurred in connection with this offering are being borne by us. All selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

## DESCRIPTION OF THE VALENCE ACQUISITION

On May 8, 2023, we and 14998685 Canada Inc., a corporation governed by the laws of Canada and an indirect wholly-owned subsidiary of ours (“Exchangeco”), entered into a Share Purchase Agreement (the “Purchase Agreement”) with Valence Discovery Inc. (“Valence”) pursuant to which Exchangeco acquired 100% of the outstanding equity securities of Valence (the “Valence Acquisition”). The closing of the Valence Acquisition occurred on May 16, 2023. In connection with the closing of the Valence Acquisition, we issued (i) shares of our Class A common stock to certain Valence shareholders (the “Closing Shares”), (ii) Exchangeco issued shares of Exchangeco to certain eligible Valence shareholders in lieu of shares of our Class A common stock, which are exchangeable for shares of our Class A common stock (the “Exchangeable Shares”), or (iii) cash paid in lieu of shares to unaccredited investors. Outstanding options to purchase shares of Valence were assumed by us and exchanged for options that are exercisable for shares of our Class A common stock. Post-closing adjustments and shares withheld for potential indemnification claims may result in the issuance of additional shares of our Class A common stock and Exchangeable Shares.

Each Exchangeable Share may be exchanged at the election of the holder for one share of our Class A common stock (subject to adjustments to maintain economic equivalence between our Class A common stock and the Exchangeable Shares). In addition, under certain circumstances, Exchangeco can redeem Exchangeable Shares in exchange for shares of our Class A common stock on a one-for-one basis (subject to adjustments to maintain economic equivalence between our Class A common stock and the Exchangeable Shares). The Exchangeable Shares are not entitled to cast votes on matters for which holders of shares of our Class A common stock are entitled to vote nor are the Exchangeable Shares listed for trading on any stock exchange.

## THE EXCHANGEABLE SHARES AND THE RESALE SHARES

The rights of holders of Exchangeable Shares, including exchange rights, is described in the terms of the Exchangeable Share Support Agreement, which is included as Exhibit 4.2 to this registration statement of which this prospectus forms a part, and is incorporated by reference herein.

Holders of Exchangeable Shares and the Resale Shares have registration rights pursuant to a registration agreement (the “Registration Agreement”), entered into as of the closing of the Valence Acquisition on May 16, 2023, by and among us, Exchangeco, and certain shareholders of Valence. We have filed this prospectus to fulfill certain obligations described in the terms of the Registration Agreement, which is included as Exhibit 4.3 to this registration statement of which this prospectus forms a part, and is incorporated by reference herein.



## SELLING STOCKHOLDERS

This prospectus covers the resale or other disposition from time to time by the selling stockholders of the Resale Shares that were issued or may be issued to the selling stockholders by us in the Valence Acquisition. For a description of the Valence Acquisition, see "Description of the Valence Acquisition" in this prospectus. As used in this prospectus, the term "selling stockholders" includes the selling stockholders listed in the table below, together with their respective pledgees, assignees, donees, transferees or successors-in-interest.

We are registering the offer and sale of the Resale Shares held by the selling stockholders to satisfy certain registration obligations that we granted to the selling stockholders under the Registration Agreement in connection with the Valence Acquisition. Pursuant to a Registration Agreement, we have agreed to use reasonable best efforts to keep the registration statement, of which this prospectus is a part, effective for a period of not less than three years, or, if earlier, until the selling stockholders have sold all the Resale Shares and all the Exchange Shares have been issued hereunder.

The following table sets forth (i) the name of each selling stockholder, (ii) the number of shares of our Class A common stock beneficially owned by the selling stockholder, including the Resale Shares, (iii) the number of Resale Shares that may be offered under this prospectus and (iv) the number of shares of our Class A common stock that would be beneficially owned by the selling stockholder assuming all of the Resale Shares covered hereby are sold.

Other than as stated above, beneficial ownership is determined in accordance with the rules of the SEC, and includes voting or investment power with respect to our Class A common stock. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the holders named in the table below has sole voting and investment power with respect to all shares of Class A common stock that they beneficially own, subject to applicable community property laws.

The selling stockholders may sell some, all or none of the Resale Shares offered by this prospectus from time to time. We do not know how long the selling stockholders will hold the Shares covered hereby before selling them and we currently have no agreements, arrangements or understandings with the selling stockholders regarding the sale or other disposition of any Shares. The registration of the Shares does not necessarily mean that the selling stockholders will sell all or any portion of the Shares covered by this prospectus.

The information set forth in the table below is based on 184,643,171 shares of our Class A common stock and 7,716,209 shares of our Class B common stock outstanding as of April 30, 2023, together with the 8,839,308 shares of Class A common stock issued or issuable in the Valence Acquisition (including the Exchange Shares, the Options, the Resale Shares, and up to 766,461 options exercisable for shares of our Class A common stock assumed in the Valence Acquisition that are held by current service providers and registered by us on Form S-8 (File No. 333-272027)), and assumes the selling stockholders dispose of all of the Resale Shares covered by this prospectus and do not acquire beneficial ownership of any additional shares of Class A common stock. The information contained in the table below in respect of the selling stockholders has been obtained from the selling stockholders and has not been independently verified by us, other than the calculation of the percentage of shares of Class A common stock owned prior to and after the offering.

Name and Address of Beneficial Owner	Shares Beneficially Owned Prior to this Offering				% of Total Voting Power Before this Offering <sup>(1)</sup>	Number of Shares of Class A Common Stock Being Offered <sup>(2)</sup>	Shares Beneficially Owned After this Offering				% of Total Voting Power After Offering
	Class A		Class B				Class A		Class B		
	Shares	%	Shares	%			Shares	%	Shares	%	
Fifty Years Fund III, LP <sup>(3)</sup>	904,392	*	—	—	*	904,392	—	—	—	—	—
Air Street Capital I LP <sup>(3)</sup>	780,676	*	—	—	*	780,676	—	—	—	—	—
Techstars Montréal 2018 LP <sup>(3)</sup>	312,841	*	—	—	*	312,841	—	—	—	—	—
PVP Seed Fund, LP <sup>(6)</sup>	100,521	*	—	—	*	100,521	—	—	—	—	—
Individual Valence shareholder	69,590	*	—	—	*	69,590	—	—	—	—	—

- (\*) Represents less than 1%.
- (1) Percentage of total voting power represents voting power with respect to all shares of Class A common stock and Class B common stock, as a single class. The holders of Class B common stock are entitled to ten votes per share, and holders of Class A common stock are entitled to one vote per share.
- (2) The amounts set forth in this column are the numbers of shares of Class A common stock that may be offered by each selling stockholder using this registration statement.
- (3) Fifty Years Fund III, LP directly holds 904,392 shares of Class A common stock reported under "shares of Class A Common Stock Beneficially Owned Prior to the Offering." Fifty Years III GP, LLC controls Fifty Years Fund III, LP as its general partner and accordingly, may be deemed to beneficially own the shares held by Fifty Years Fund III, LP. The address for this selling stockholder is 192 Museum Way, San Francisco, California 94114.
- (4) Air Street Capital I LP directly holds 780,676 shares of Class A common stock reported under "shares of Class A Common Stock Beneficially Owned Prior to the Offering." Air Street Capital Management LTD controls Air Street Capital I LP as its manager and accordingly, may be deemed to beneficially own the shares held by Air Street Capital I LP. The address for this selling stockholder is Suite 1, First Floor, The Energy Centre, Admiral Park, Guernsey GY1 2BB.
- (5) Techstars Montréal 2018 LP directly owns 312,841 shares of Class A common stock reported under "shares of Class A Common Stock Beneficially Owned Prior to the Offering." Techstars Montreal 2018 GP LLC controls Techstars Montréal 2018 LP as its general manager. Techstars Investments Management, LLC controls Techstars Montreal 2018 GP LLC and accordingly, may be deemed to beneficially own the shares held by Techstars Montréal 2018 LP. The address for this selling stockholder is 4848 Pearl East Cir Ste 118 PMB 99696 Boulder, Colorado 80301.
- (6) PVP Seed Fund, LP may be deemed to beneficially own 100,521 shares of Class A Common Stock. The address for this selling stockholder is 1700 S. El Camino Real, Suite 355, San Mateo California 94402.

## DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms and provisions relating to our capital stock. The following description is a summary that is not complete and is subject to and qualified in its entirety by reference to our amended and restated certificate of incorporation and our amended and restated bylaws, and to provisions of the Delaware General Corporation Law. Copies of our amended and restated certificate of incorporation and our amended and restated bylaws, each of which may be amended from time to time, have been publicly filed with the SEC. See “Where You Can Find More Information; Incorporation by Reference” in this prospectus.

### General

Our authorized capital stock consists of 2,200,000,000 shares of capital stock, \$0.00001 par value per share, of which 200,000,000 shares are designated preferred stock and 2,000,000,000 shares are designated common stock. Of our common stock, 1,989,032,117 shares are designated as Class A common stock and 10,967,883 shares are designated as Class B common stock. As of April 30, 2023, there were 184,643,171 shares of our Class A common stock and 7,716,209 shares of our Class B common stock outstanding. There are no shares of preferred stock outstanding.

### Common Stock

We have two series of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion.

### Voting Rights

Each holder of Class A common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors, and each holder of Class B common stock is entitled to ten votes for each share on all matters submitted to a vote of the stockholders, including the election of directors. The holders of Class A common stock and Class B common stock vote together as a single class, unless otherwise required by law. Under our amended and restated certificate of incorporation, approval of the holders of a majority of the outstanding shares of our Class B common stock voting as a separate class is required to increase the number of authorized shares of our Class B common stock. In addition, Delaware law could require either the holders of our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Until the Final Conversion Date (described below), approval of the holders of at least two-thirds of the outstanding shares of our Class B common stock voting as a separate class is required to amend, repeal or adopt any provision of the amended and restated certificate of incorporation inconsistent with, or otherwise alter, any provision of the amended and restated certificate of incorporation relating to the voting, conversion, or other rights, powers, preferences privileges, or restrictions of our Class B common stock so as to affect them adversely or to reclassify any outstanding shares of Class A common stock into shares having rights as to dividends or liquidation that are senior to the Class B common stock or the right to have more than one vote for each share thereof, except as required by law.

Our amended and restated certificate of incorporation and amended and restated bylaws do not provide for cumulative voting rights. Because of this, the holders of a plurality of the shares of Class A common stock and Class B common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose. With respect to matters other than the election of directors, at any meeting of the stockholders at which a quorum is present or

represented, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at such meeting and entitled to vote on the subject matter shall be the act of the stockholders, except as otherwise required by law. The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

#### ***Dividends***

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our Class A common stock and Class B common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

#### ***Liquidation***

In the event of our liquidation, dissolution, or winding up, holders of our Class A common stock and Class B common stock are entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

#### ***Conversion of Class B Common Stock***

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Shares of Class B common stock automatically convert into shares of Class A common stock upon sale or transfer except for certain transfers described in our amended and restated certificate of incorporation, including transfers for estate planning.

In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon the earliest of (i) the seven year anniversary of the first day of trading on Nasdaq of our Class A common stock, (ii) the date specified by written consent or agreement of the holders of at least 66 2/3% of our then outstanding shares of Class B common Stock, (iii) nine months after Dr. Christopher Gibson, our co-founder and Chief Executive Officer, ceases to hold any positions as an officer or director with us or (iv) nine months after the death or disability of Dr. Gibson. We refer to the date on which such final conversion of all outstanding shares of Class B common stock pursuant to the terms of our amended and restated certificate of incorporation occurs as the Final Conversion Date.

#### ***Rights and Preferences***

Holders of our Class A common stock have no preemptive, conversion, subscription, or other rights, and there are no redemption or sinking fund provisions applicable to our Class A common stock. Holders of our Class B common stock have no preemptive or subscription rights, but have conversion rights. There are no redemption or sinking fund provisions applicable to our Class B common stock. The rights, preferences and privileges of the holders of our Class A common stock and Class B common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

#### ***Preferred Stock***

Our amended and restated certificate of incorporation contains provisions that permit our board of directors to issue, without any further vote or action by the stockholders, up to 200,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, redemption rights, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of Class A common stock and Class B common stock. The issuance of preferred stock could adversely affect the voting power of holders of Class A common stock and Class B common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in our control or other corporate action.

### **Exchange and Registration Rights**

The Valence shareholders have certain rights pursuant to the Exchangeable Share Support Agreement and the Registration Agreement. See “The Exchangeable Shares and the Resale Shares” of this prospectus for additional information.

### **Anti-takeover Effects of Certain Provisions of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws**

Certain provisions of Delaware law and certain provisions included in our amended and restated certificate of incorporation and amended and restated bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders.

#### ***Classified Board***

Our amended and restated certificate of incorporation provides that our board of directors is divided into three classes, designated Class I, Class II, and Class III. Each class consists of an equal number of directors, as nearly as possible, consisting of one third of the total number of directors constituting the entire board of directors. The term of initial Class I directors terminated on the date of the 2022 annual meeting, the term of the initial Class II directors shall terminate on the date of the 2023 annual meeting, and the term of the initial Class III directors shall terminate on the date of the 2024 annual meeting. At each annual meeting of stockholders beginning in 2022, the class of directors whose term expires at that annual meeting is subject to reelection for a three-year term.

#### ***Removal of Directors***

Our amended and restated certificate of incorporation provides that stockholders may only remove a director for cause by a vote of no less than a majority of the shares present in person or by proxy at the meeting and entitled to vote.

#### ***Director Vacancies***

Our amended and restated certificate of incorporation authorized only our board of directors to fill vacant directorships.

#### ***No Cumulative Voting***

Our amended and restated certificate of incorporation provides that stockholders do not have the right to cumulate votes in the election of directors.

#### ***Special Meetings of Stockholders***

Our amended and restated certificate of incorporation and amended and restated bylaws provide that, except as otherwise required by law, special meetings of the stockholders may be called only by an officer at the request of a majority of our board of directors, by the Chair of our board of directors or by our Chief Executive Officer.

#### ***Advance notice procedures for director nominations***

Our amended and restated bylaws provide that stockholders seeking to nominate candidates for election as directors at an annual or special meeting of stockholders must provide timely notice thereof in writing. To be timely, a stockholder’s notice generally has to be delivered to and received at our principal executive offices before notice of the meeting is issued by the secretary of the company, with such notice being served not less than 90 nor more than 120 days before the meeting. Although the amended and restated bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates to be elected at an annual meeting, the amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may

discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

***Action by Written Consent***

Our amended and restated certificate of incorporation and amended and restated bylaws provide that any action to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent.

***Amending our Certificate of Incorporation and Bylaws***

Our amended and restated certificate of incorporation may be amended or altered in any manner provided by the Delaware General Corporation Law, or DGCL. Our amended and restated bylaws may be adopted, amended, altered, or repealed by stockholders only upon approval of at least majority of the voting power of all the then outstanding shares of the Class A common stock and Class B common stock, except for any amendment of the above provisions, which would require the approval of a two-thirds majority of our then outstanding Class A common stock and Class B common stock or the separate approval of a majority of our Class B common stock for any increase to the authorized number of Class B common stock or two-thirds of our then outstanding Class B common stock for certain amendments to our Class B common stock or certain reclassifications of our Class A common stock described above. Additionally, our amended and restated certificate of incorporation provides that our bylaws may be amended, altered, or repealed by the board of directors.

***Authorized but Unissued Shares***

Our authorized but unissued shares of Class A common stock, Class B common stock, and preferred stock is available for future issuances without stockholder approval, except as required by the listing standards of Nasdaq, and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Class A common stock, Class B common stock, and preferred stock could render more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger, or otherwise.

***Exclusive Jurisdiction***

Our amended and restated bylaws provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of fiduciary duty, any action asserting a claim arising pursuant to the DGCL, any action regarding our amended and restated certificate of incorporation or amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. This provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Our amended and restated bylaws further provide that the federal district courts of the United States of America are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to these provisions. Although we believe these provisions benefit us by providing increased consistency in the application of law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. We also note that stockholders cannot waive compliance (or consent to noncompliance) with the federal securities laws and the rules and regulations thereunder.

***Business Combinations with Interested Stockholders***

We are governed by Section 203 of the DGCL. Subject to certain exceptions, Section 203 of the DGCL prohibits a public Delaware corporation from engaging in a business combination (as defined in such section) with an "interested

stockholder” (defined generally as any person who beneficially owns 15% or more of the outstanding voting stock of such corporation or any person affiliated with such person) for a period of three years following the time that such stockholder became an interested stockholder, unless (1) prior to such time the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (2) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock of such corporation outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (a) by persons who are directors and also officers of such corporation and (b) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (3) at or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders (and not by written consent) by the affirmative vote of at least 66 2/3% of the outstanding voting stock of such corporation not owned by the interested stockholder.

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL. We are expressly authorized to, and do, carry directors’ and officers’ insurance providing coverage for our directors, officers and certain employees for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation on liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

#### ***Listing***

Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol “RXXR.”

#### ***Transfer Agent and Registrar***

The transfer agent and registrar for our Class A common stock is American Stock Transfer Trust Company, LLC. The transfer agent and registrar’s address is 6201 15th Avenue, Brooklyn, NY 11219.

#### **PLAN OF DISTRIBUTION**

The Exchange Shares offered in this prospectus will be issued in exchange for Exchangeable Shares as described in the terms of the Exchangeable Share Support Agreement that is included as Exhibit 4.1 to this registration statement of which this prospectus forms a part. The shares of our Class A common stock underlying the Options may be issued upon our receipt of a nominal cash exercise price of \$0.21 per share to former service providers of Valence. We are registering the Resale Shares issued to the selling stockholders to permit the resale of these shares of Class A common stock by the holders from time to time after the date of this prospectus.

No broker, dealer or underwriter has been engaged in connection with soliciting such exchange, exercise, or resale, and no commission or other compensation will be paid to any person in connection with solicitation of such exchange, exercise, or resale. No broker, dealer or underwriter has been engaged in connection with this offering.

Because (i) the Exchange Shares offered by us in this prospectus will be issued only in exchange for or upon retraction or redemption of the Exchangeable Shares and (ii) we will not receive any of the proceeds from the sale of the Resale Shares by the selling stockholders, we will not receive any cash proceeds from the offering of the Exchange Shares or the Resale Shares. We expect to receive nominal proceeds, if any, from the issuance of shares of our Class A common stock upon the exercise of the Options. All expenses of registration incurred in connection with this offering are being borne by us. All selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

The selling stockholders, which as used herein includes donees, pledgees, assignees, transferees and other successors-in-interest selling shares of Class A common stock or interests in shares of Class A common stock received after the date of this prospectus from a selling stockholder as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of Class A common stock or interests in shares of Class A common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

Sales of shares of our Class A common stock by the selling stockholders named in this prospectus may be made from time to time in one or more transactions in the over-the-counter market, on any exchange or quotation system on which shares of our common stock may be listed or quoted, in negotiated transactions or in a combination of any such methods of sale, at fixed prices that may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The shares may be offered directly, to or through agents designated from time to time or to or through brokers or dealers, or through any combination of these methods of sale. The methods by which the shares may be sold include:

- block trades (which may involve crosses) in which the broker or dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker or dealer as principal and resales by the broker or dealer for its own account pursuant to this prospectus;
- exchange distributions or secondary distributions in accordance with the rules of the applicable exchange;
- ordinary brokerage transactions and transactions in which the broker or dealer solicits purchasers;
- privately negotiated transactions;
- the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- the settlement of short sales;
- a combination of any of the foregoing methods of sale; and
- any other method permitted by applicable law.

An agent, broker or dealer may receive compensation in the form of discounts, concessions or commissions from the selling stockholders or the purchasers of the shares for whom such brokers or dealers may act as agents or to whom they sell as principals, or both (which compensation as to a particular broker or dealer might be in excess of customary commissions). A member firm of an exchange on which our Class A common stock is traded may be engaged to act as the selling stockholders' agent in the sale of shares by the selling stockholders.

In connection with distributions of the Resale Shares offered by this prospectus or otherwise, the selling stockholders may enter into hedging transactions with brokers or dealers or other financial institutions with respect to our Class A common stock. In connection with these transactions, the brokers or dealers or other financial institutions may engage in short sales of our Class A common stock in the course of hedging the positions they assume with the selling stockholders. The selling stockholders may also sell our Class A common stock short to effect its hedging transactions and deliver shares of Class A common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of Class A common stock to broker-dealers that in turn may sell such shares.

In addition, any shares of our Class A common stock covered by this prospectus that qualify for sale pursuant to Rule 144 of the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

The aggregate proceeds to the selling stockholders from the sale of the Resale Shares offered by it pursuant to this prospectus will be the purchase price of the shares less discounts or commissions, if any. The selling stockholders reserve the right to accept and, together with its agents from time to time, to reject, in whole or in part, any proposed purchase of shares of Class A common stock to be made directly or through agents.

To the extent required, the shares to be sold, the name of the selling stockholders, the respective purchase prices and public offering prices, the names of any agents, dealers or underwriters, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

Each broker-dealer that receives Resale Shares for its own account pursuant to this prospectus must acknowledge that it will deliver the prospectus in connection with any sale of the Resale Shares. If required, this prospectus may be amended or supplemented on a continual basis to describe a specific plan of distribution. We will make copies of this prospectus



available to the selling stockholders, brokers and dealers for purposes of satisfying the prospectus delivery requirements of the Securities Act, if applicable.

In order to comply with the securities laws of some states, if applicable, the Resale Shares offered by this prospectus may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the Resale Shares may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with as part of such sale.

The selling stockholders and any other person participating in such distribution will be subject to certain provisions of the Exchange Act. The Exchange Act rules include Regulation M, which may limit the timing of purchases and sales of any of our Class A common stock by the selling stockholders and any other such person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of our Class A common stock to engage in market-making activities with respect to the Class A common stock. In addition, the anti-manipulation rules under the Exchange Act may apply to sales of the securities in the market. All of the foregoing may affect the marketability of the securities and the ability of any person to engage in market-making activities with respect to the securities.

The selling stockholders and any brokers, dealers, agents or others that participate with the selling stockholders in the distribution of the shares offered by this prospectus may be deemed to be "underwriters" within the meaning of the Securities Act, and any underwriting discounts, commissions or fees received by such persons and any profit on the resale of the shares purchased by such persons may be deemed to be underwriting commissions or discounts under the Securities Act. If the selling stockholders is deemed to be an "underwriter" within the meaning of the Securities Act, it will be subject to the prospectus delivery requirements of the Securities Act. We will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling stockholders, brokers and dealers for the purpose of satisfying the prospectus delivery requirements of the Securities Act, if applicable.

There can be no assurance that the selling stockholders will sell any or all of the shares of our Class A common stock offered hereby.

We will bear all fees and expenses incident to our obligation to register the shares of Class A common stock offered hereby, except that, if the Resale Shares are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. We may be required to indemnify the selling stockholders against liabilities, including certain liabilities under the Securities Act, to the extent arising out of or resulting from or in connection with any breach of or default in connection with any of the covenants in the Registration Agreement.

Any underwriter, dealers and agents engaged by the selling stockholders may engage in transactions with us or the selling stockholders, or perform services for us or the selling stockholders, in the ordinary course of business.

Certain holders of Resale Shares and Exchangeable Shares representing up to approximately 7.1 million shares of our issued or issuable Class A common stock have agreed, on behalf of themselves and their affiliates, that during the six month period following May 16, 2023, such holder and its affiliates shall not, directly or indirectly, transfer, grant an option with respect to, sell, exchange, pledge, convert or otherwise dispose of or encumber any shares of our Class A common stock or Exchangeable Shares received or issued in connection with the Valence Acquisition or make any offer or enter into any contract providing for any of the foregoing, provided, however, that notwithstanding the foregoing, one-sixth of the amount of shares (rounded down to the nearest whole share) of Class A common stock issued to each such holder will be released, and no longer subject to, such transfer restrictions on the first day of each of the six months following May 16, 2023.

## INCOME TAX CONSIDERATIONS

### Material Canadian Federal Income Tax Considerations

The following is a summary of certain Canadian federal income tax considerations arising under the *Income Tax Act* (Canada) and the regulations adopted thereunder (the "ITA") in respect of the holding and disposition of shares of our Class A common stock acquired upon the exchange, retraction or redemption of the Exchangeable Shares. This summary applies only to a person (i) who is a beneficial owner of shares of our Class A common stock, (ii) who, for purposes of the ITA and at all relevant times, acquires and holds shares of our Class A common stock as capital property and deal at arm's length with, and are not affiliated with, Recursion, 1414517 B.C. Unlimited Liability Company, or Exchangeco, and (iii) who, for purposes of the ITA and any applicable income tax treaty or convention, is or is deemed to be a resident of Canada at all relevant times and is not exempt from tax under Part I of the ITA (a "Resident Holder").

This summary does not apply to a Resident Holder: (i) with respect to whom Recursion is or will be a "foreign affiliate" within the meaning of the ITA, (ii) that is a "financial institution" for the purposes of the mark-to-market rules in the ITA, (iii) an interest in which is a "tax shelter investment" as defined in the ITA, (iv) that is a "specified financial institution" as defined in the ITA, (v) that reports its "Canadian tax results", as defined in the ITA, in a currency other than Canadian currency, (vi) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition agreement" (as defined in the ITA) in respect of shares of our Class A common stock, or (vii) that is a corporation and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of shares of our Class A common stock, controlled by a non-resident person or a group of non-resident persons for the purposes of the foreign affiliate dumping rules in section 212.3 of the ITA. Any such holders should consult their own tax advisors with respect to their particular circumstances.

This summary is based on the facts set out in this document, the current provisions of the ITA and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date of this document. This summary takes into account all proposed amendments to the ITA that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("Proposed Amendments") and assumes that such Proposed Amendments will be enacted as proposed. However, no assurance can be given that such Proposed Amendments will be enacted in the form proposed, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the holding and disposition of our Class A common stock. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law or any changes in the CRA's administrative policies and assessing practices, whether by judicial, governmental or legislative action or decision, nor does it take into account any provincial, territorial or foreign tax legislation or considerations, which may differ from the Canadian federal income tax considerations described herein.

**This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular holder and no representation with respect to the tax consequences to any particular holder is made. This summary does not take into account your particular circumstances and does not address considerations that may be particular to you. Therefore, you should consult your own tax advisors regarding the specific tax consequences to you of acquiring, holding or disposing of shares of our Class A common stock.**

Shares of our Class A common stock will generally be considered to be capital property to a Resident Holder unless such securities are held in the course of carrying on a business, or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Shares of our Class A common stock will not constitute "Canadian securities" for the purposes of the irrevocable election under subsection 39(4) of the ITA to treat all "Canadian securities", as defined in the ITA, owned by a Resident Holder as capital property, and therefore such election will not apply to shares of our Class A common stock. Resident Holders who do not or will not hold shares of our Class A common stock as capital property should consult their own tax advisors regarding their particular circumstances.

Generally, for purposes of the ITA, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in U.S. dollars must be converted into Canadian dollars generally based on the relevant exchange rate as determined in accordance with the ITA. The amount of dividends to be included in the income of, and the amount of capital gains or capital losses realized by, a Resident Holder may be affected by fluctuation in the relevant Canadian dollar exchange rate.

### **Acquisition and Disposition of Shares of Our Class A Common Stock**

The cost of shares of our Class A common stock received on the retraction, redemption or exchange of an Exchangeable Share will be equal to the fair market value of such shares of our Class A common stock at the time of such event and will generally be averaged with the adjusted cost base of any other shares of our Class A common stock held at that time by the Resident Holder as capital property for the purpose of determining the Resident Holder's adjusted cost base of such shares of our Class A common stock.

A disposition or deemed disposition of shares of our Class A common stock by a Resident Holder will generally result in a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the shares of our Class A common stock immediately before the disposition. For a description of the tax treatment of capital gains and losses, see "Taxation of Capital Gains or Capital Losses" below.

#### ***Taxation of Capital Gains or Capital Losses***

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "allowable capital loss") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the holder in that year (subject to and in accordance with rules contained in the ITA). Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the ITA.

If the Resident Holder is a corporation, the amount of any capital loss realized on a disposition or deemed disposition of shares of our Class A common stock may be reduced by the amount of dividends received or deemed to have been received by the Resident Holder on such share (and in certain circumstances a share exchanged for such share) to the extent and under circumstances prescribed by the ITA. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns such shares directly or indirectly through a partnership or trust.

Capital gains realized by individuals and certain trusts may give rise to minimum tax under the ITA. The 2023 Federal Budget (Canada) included several proposed changes to the minimum tax rules. Holders to whom these rules may be relevant should consult their own tax advisors.

#### ***Dividends on Shares of our Class A Common Stock***

A Resident Holder will be required to include in computing such Resident Holder's income for a taxation year the amount of dividends, if any, received or deemed to be received on shares of our Class A common stock, including amounts withheld for U.S. withholding tax, if any. Dividends received or deemed to be received on shares of our Class A common stock by a Resident Holder who is an individual will not be subject to the gross-up and dividend tax credit rules in the ITA normally applicable to taxable dividends received from taxable Canadian corporations. A Resident Holder that is a corporation will not be entitled to deduct the amount of such dividends in computing its taxable income.

Subject to the detailed rules in the ITA, a Resident Holder may be entitled to a foreign tax credit or deduction for any U.S. withholding tax paid with respect to dividends received by the Resident Holder on shares of our Class A common stock. Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction having regard to their own particular circumstances.

#### ***Foreign Property Information Reporting***

A Resident Holder that is a "specified Canadian entity" (as defined in the ITA) for a taxation year or a fiscal period and whose total "cost amount" of "specified foreign property" (as such terms are defined in the ITA), including shares of our Class A common stock, at any time in the year or fiscal period exceeds Cdn \$100,000 will be required to file an information return for the year or period disclosing prescribed information. Subject to certain exceptions, a Resident Holder, other than a corporation or trust exempt from tax under Part I of the ITA, will be a "specified Canadian entity," as will certain partnerships. Resident Holders should consult their own tax advisors regarding the reporting rules contained in the ITA and compliance with these rules.

## Material U.S. Federal Income Tax Considerations

The following discussion is a general summary of certain material U.S. federal income tax considerations to Non-U.S. Holders (as defined below) of the ownership and disposition of shares of our Class A common stock acquired in exchange for Exchangeable Shares. It is not a comprehensive discussion of all tax considerations that may be relevant to a particular holder's decision to acquire shares of our Class A common stock, including U.S. federal estate, gift and alternative minimum tax considerations, the Medicare contribution tax imposed on certain net investment income, the special accounting rules under Section 451(b) of the U.S. Internal Revenue Code of 1986, as amended, or the Code, and U.S. state and local or non-U.S. tax considerations, and is limited to holders that hold Exchangeable Shares and shares of our Class A common stock as capital assets for U.S. federal income tax purposes (generally, property held for investment). Except where specifically discussed herein, the following discussion does not address the U.S. federal income tax considerations of owning or disposing of Exchangeable Shares.

Further, the following discussion is based on the Code and the U.S. Treasury Regulations promulgated thereunder, including administrative and judicial interpretations thereof, as of the date of this prospectus. These authorities may be replaced, revoked or modified, possibly with retroactive effect, and subject to differing interpretations so as to result in U.S. federal income tax consequences different from those discussed herein. No opinion from U.S. legal counsel or ruling from the U.S. Internal Revenue Service, or the IRS, has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Valence Acquisition or the exchange of Exchangeable Shares for our Class A common stock. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary. Holders should consult their own tax advisors regarding the tax consequences of owning and disposing of Exchangeable Shares and shares of our Class A common stock and exchanging Exchangeable Shares for our Class A common stock.

The term "U.S. Holder" means a beneficial owner of shares of our Class A common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (a) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has a valid election in effect to be treated as a U.S. person.

The term "Non-U.S. Holder" means a beneficial owner of shares of our Class A common stock that is, for U.S. federal income tax purposes, not a U.S. Holder or a partnership or pass-through entity (including any entity or arrangement treated as a partnership or other flow-through entity and the equity holders therein).

This summary does not describe all of the U.S. federal income tax considerations applicable to a Non-U.S. Holder if such Non-U.S. Holder is subject to special treatment under U.S. federal income tax laws, including if such Non-U.S. Holder is:

- a dealer in securities or currencies;
- a bank, broker dealer or other financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization (including a private foundation);
- a pension plan;
- a cooperative;
- a governmental organization;
- a person holding Exchangeable Shares or shares of our Class A common stock as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for its securities;
- a person who owns, directly, indirectly or constructively, 5% or more of our total combined voting power or value;

- a partnership or other pass-through entity for U.S. federal income tax purposes or its partner in or member of such entity;
- certain former U.S. citizens or long-term residents;
- a person whose “functional currency” is not the U.S. dollar; or
- a person that received Exchangeable Shares pursuant to the exercise of any employee stock option or otherwise as compensation.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Exchangeable Shares or shares of our Class A common stock, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partners of a partnership holding Exchangeable Shares or shares of our Class A common stock should consult their own tax advisors regarding the tax consequences applicable to their particular circumstances.

***U.S. Federal Income Tax Considerations of the Exchange of Exchangeable Shares for Shares of Class A Common Stock***

The U.S. federal income tax characterization of the Exchangeable Shares for U.S. tax purposes is uncertain. If the Exchangeable Shares are treated as shares of our Class A common stock for U.S. tax purposes, an exchange of Exchangeable Shares for shares of our Class A common stock should not be a taxable event for U.S. federal income tax purposes, in which case holders should not recognize any gain or loss for U.S. income tax purposes upon the exchange. However, if the Exchangeable Shares are not treated as shares of our Class A common stock for U.S. tax purposes, the tax treatment of an exchange could vary, and the tax treatment described in the sections titled “—U.S. Federal Income Tax Considerations Applicable to the Ownership of Our Shares of Class A Common Stock—Gain on Disposition of Our Class A Common Stock” could apply to the disposition of Exchangeable Shares. Holders of Exchangeable Shares should consult their own tax advisors regarding the U.S. federal income tax consequences applicable to the tax treatment of the Exchangeable Shares and the exchange of Exchangeable Shares for shares of our Class A common stock for U.S. federal income tax purposes.

***U.S. Federal Income Tax Considerations Applicable to the Ownership of Our Shares of Class A Common Stock***

***Distributions***

If we make distributions on our Class A common stock (including constructive distributions, but not including certain distributions of stock or rights to acquire our Class A common stock), those payments will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce Non-U.S. Holder’s basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale of stock as described in the section titled “—U.S. Federal Income Tax Considerations Applicable to the Ownership of Our Shares of Class A Common Stock—Gain on Disposition of Our Class A Common Stock.”

Subject to the discussion below regarding effectively connected income, backup withholding and Foreign Account Tax Compliance Act, or FATCA, withholding, any dividend paid to Non-U.S. Holders generally will be subject to U.S. federal withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty between the United States and a Non-U.S. Holder’s country of residence. In order to receive a reduced treaty rate, a Non-U.S. Holder must provide us or the applicable paying agent with an IRS Form W-8BEN or W-8BEN-E or other appropriate version of IRS Form W-8 certifying qualification for the reduced rate. Under applicable Treasury Regulations, we may withhold up to 30% of the gross amount of the entire distribution even if the amount constituting a dividend, as described above, is less than the gross amount. Non-U.S. Holders may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS. If Non-U.S. Holders hold our Class A common stock through a financial institution or other agent acting on Non-U.S. Holder’s behalf, such Non-U.S. Holders will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. Special certification and other requirements apply to certain Non-U.S. Holders that are pass-through entities rather than corporations or individuals.

Dividends received by a Non-U.S. Holder that are treated as effectively connected with Non-U.S. Holder's conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, that are attributable to a permanent establishment or fixed base maintained by a Non-U.S. Holder in the United States) are generally exempt from the 30% U.S. federal withholding tax, subject to the discussions below regarding backup withholding and FATCA withholding. In order to obtain this exemption, a Non-U.S. Holder must provide us with a properly executed IRS Form W-8ECI or other applicable IRS Form W-8 or a successor form properly certifying such exemption. Such effectively connected dividends, although not subject to U.S. federal withholding tax, generally are taxed at the U.S. federal income tax rates applicable to U.S. persons, net of certain deductions and credits. In addition, if Non-U.S. Holder is a corporate non-U.S. Holder, dividends such Non-U.S. Holder receives that are effectively connected with Non-U.S. Holder's conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty between the United States and Non-U.S. Holder's country of residence. Non-U.S. Holders should consult their own tax advisors regarding the tax consequences of the ownership and disposition of our Class A common stock, including the application of any applicable tax treaties that may provide for different rules.

#### Gain on Disposition of Our Class A Common Stock

Subject to the discussions below regarding backup withholding and FATCA withholding, Non-U.S. Holders generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by a Non-U.S. Holder in the United States);
- the Non-U.S. Holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met; or
- Our Class A common stock constitutes a United States real property interest by reason of our status as a "United States real property holding corporation," or a USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding Non-U.S. Holder's disposition of, or holding period for, our Class A common stock.

We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion so assumes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our U.S. and worldwide real property interests plus our other assets used or held for use in a trade or business, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, a Non-U.S. Holder's Class A common stock will be treated as U.S. real property interests only if a Non-U.S. Holder actually (directly or indirectly) or constructively holds more than five percent of our regularly traded common stock at any time during the shorter of the five-year period preceding Non-U.S. Holder's disposition of, or holding period for, our Class A common stock.

Non-U.S. Holders described in the first bullet above generally will be required to pay tax on the gain derived from the sale (net of certain deductions and credits) at U.S. federal income tax rates applicable to U.S. persons, and a corporate Non-U.S. Holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. Non-U.S. Holders described in the second bullet above will be subject to tax at 30% (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale, which gain may be offset by U.S. source capital losses for the year, provided a Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. Holders should consult their tax advisors regarding any applicable income tax or other treaties that may provide for different rules.

#### Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to a Non-U.S. Holder, the name and address of such Non-U.S. holder, and the amount of tax withheld, if any. A similar report will be sent to the Non-U.S. Holder. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in the Non-U.S. Holder's country of residence.

Payments of dividends on or of proceeds from the disposition of our Class A common stock made to Non-U.S. Holders may be subject to backup withholding at the applicable statutory rate unless a Non-U.S. Holder establishes an exemption, for example, by properly certifying Non-U.S. holder's non-U.S. status on a properly completed IRS Form

W-8BEN or W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that a Non-U.S. Holder is a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

*Additional Withholding Requirements under the Foreign Account Tax Compliance Act*

FATCA, including sections 1471 through 1474 of the Code and the Treasury Regulations and other official IRS guidance issued thereunder, generally imposes a U.S. federal withholding tax of 30% on dividends (including constructive dividends) on, and, subject to the proposed regulations discussed below, the gross proceeds from a sale or other disposition of, our Class A common stock, paid to a “foreign financial institution” (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to, among other things, withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners) or otherwise establishes an exemption. FATCA also generally imposes a U.S. federal withholding tax of 30% on dividends (including constructive dividends) on, and, subject to the proposed regulations discussed below, the gross proceeds from a sale or other disposition of, our Class A common stock paid to a “non-financial foreign entity” (as specially defined under these rules) unless such entity provides the withholding agent with a certification identifying the substantial direct and indirect U.S. owners of the entity, certifies that it does not have any substantial U.S. owners, or otherwise establishes an exemption.

The withholding obligations under FATCA generally apply to dividends (including constructive dividends) on our Class A common stock and to the payment of gross proceeds of a sale or other disposition of our Class A common stock. However, the U.S. Treasury Department has issued proposed regulations that, if finalized in their present form, would eliminate FATCA withholding on gross proceeds of the sale or other disposition of our Class A common stock (but not on payments of dividends). The preamble of such proposed regulations states that they may be relied upon by taxpayers until final regulations are issued or until such proposed regulations are rescinded. The withholding tax will apply regardless of whether the payment otherwise would be exempt from withholding tax, including under the exemptions described in the section titled “—U.S. Federal Income Tax Considerations Applicable to the Ownership of Our Shares of Class A Common Stock—Distributions.” Under certain circumstances, Non-U.S. Holders might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and Non-U.S. Holder’s country of residence may modify the requirements described in this section. Each Non-U.S. Holder should consult with its own tax advisors regarding the application of FATCA withholding to ownership and disposition of our Class A common stock.

**THE PRECEDING DISCUSSION OF MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE TO HOLDERS OF OUR CLASS A COMMON STOCK IN THEIR PARTICULAR CIRCUMSTANCES. ALL HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSIDERATIONS OF OWNING AND DISPOSING OF OUR EXCHANGEABLE SHARES AND CLASS A COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.**

#### **LEGAL MATTERS**

The validity of the shares of our Class A common stock offered hereby will be passed upon for us by Wilson Sonsini Goodrich & Rosati, P.C., Seattle, Washington.

#### **EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022, and the effectiveness of our internal control over financial reporting as of December 31, 2022, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.





**Recursion Pharmaceuticals, Inc.**

Up to 5,904,827 Shares of Class A Common Stock Issuable Upon Exchange of Exchangeable Shares  
Up to 31,132 Shares of Class A Common Stock Issuable Upon Exercise of Certain Outstanding Options  
2,168,020 Shares of Class A Common Stock Offered by Selling Stockholders

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**PROSPECTUS**

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May 30, 2023

**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth estimated expenses in connection with the issuance and distribution of the securities being registered:

	<b>Amount to be Paid</b>
SEC registration fee	\$ 7,100
Printing expenses	\$ —
Accounting fees and expenses	\$ 25,000
Legal fees and expenses	\$ 30,000
Miscellaneous expenses	\$ —
Total	\$ 62,100

**Item 15. Indemnification of Directors and Officers**

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

The registrant's amended and restated certificate of incorporation contains provisions that limit the liability of the registrant's directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law. Consequently, the registrant's directors will not be personally liable to the registrant or its stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to the registrant or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment, repeal or elimination of these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment, repeal or elimination. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of the registrant's directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, the registrant's amended and restated bylaws provide that the registrant will indemnify its directors and officers, and may indemnify its employees, agents and any other persons, to the fullest extent permitted by the Delaware General Corporation Law. The registrant's amended and restated bylaws will also provide that the registrant must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, the registrant has entered into indemnification agreements with each of its directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require the registrant, among other things, to indemnify its directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require the registrant to advance all expenses reasonably and actually incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. The registrant

believes that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions in the registrant's amended and restated certificate of incorporation, amended and restated bylaws and the indemnification agreements that the registrant has entered into with its directors and executive officers may discourage stockholders from bringing a lawsuit against the registrant's directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against the registrant's directors and executive officers, even though an action, if successful, might benefit the registrant and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that the registrant pays the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, the registrant is not aware of any pending litigation or proceeding involving any person who is or was one of the registrant's directors or officers, or is or was one of the registrant's directors or officers serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

The registrant has obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to the registrant's directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to the registrant with respect to payments that may be made by the registrant to these directors and executive officers pursuant to its indemnification obligations or otherwise as a matter of law.

Certain of the registrant's non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of the registrant's board of directors.

Item 16. Exhibits

Exhibit Number	Exhibit Description	Incorporation by Reference				Filed Herewith
		Form	Date	Exhibit Number	Filing Date	
3.1	<a href="#">Amended and Restated Certificate of Incorporation</a>	8-K	April 15, 2021	3.1	April 21, 2021	
3.2	<a href="#">Amended and Restated Bylaws</a>	8-K	April 15, 2021	3.2	April 21, 2021	
4.1	<a href="#">Specimen Class A Common Stock Certificate</a>	S-1/A	April 15, 2021	4.2	April 15, 2021	
4.2	<a href="#">Exchangeable Share Support Agreement</a>					X
4.3	<a href="#">Registration Agreement</a>					X
5.1	<a href="#">Opinion of Wilson Sonsini Goodrich &amp; Rosati, Professional Corporation</a>					X
23.1	<a href="#">Consent of Independent Registered Public Accounting Firm</a>					X
23.2	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in the opinion filed as <a href="#">Exhibit 5.1</a> to this Registration Statement)					X
24.1	<a href="#">Power of Attorney</a> (included on the signature page to this Registration Statement)					X
10.7	<a href="#">Filing Fee Table</a>					X

**Item 17. Undertakings**

(a) The undersigned registrant hereby undertakes:

(1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission, or the Commission, pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however*, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) that, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) that, for the purpose of determining liability under the Securities Act to any purchaser:

(i) each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) that, for the purpose of determining liability of a registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of such undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of

any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant;
- (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

and

(6) that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Salt Lake City, State of Utah, on May 30, 2023.

**RECURSION PHARMACEUTICALS, INC.**

By: /s/ Christopher Gibson  
Christopher Gibson  
Chief Executive Officer

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Christopher Gibson and Michael Secora, and each of them, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement, including post-effective amendments, and registration statements filed pursuant to Rule 462 under the Securities Act, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith and about the premises, as fully for all intents and purposes as they, he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent or any of them, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ Christopher Gibson Christopher Gibson	Chief Executive Officer and Director ( <i>Principal Executive Officer</i> )	May 30, 2023
/s/ Michael Secora Michael Secora	Chief Financial Officer ( <i>Principal Financial and Accounting Officer</i> )	May 30, 2023
/s/ Zachary Bogue Zachary Bogue	Director	May 30, 2023
/s/ Blake Borgeson Blake Borgeson	Director	May 30, 2023
/s/ Terry-Ann Burrell Terry-Ann Burrell	Director	May 30, 2023

/s/ R. Martin Chavez  
R. Martin Chavez

Director

May 30, 2023

/s/ Zavain Dar  
Zavain Dar

Director

May 30, 2023

/s/ Robert Hershberg  
Robert Hershberg

Director

May 30, 2023

/s/ Dean Li  
Dean Li

Director

May 30, 2023



**Calculation of Filing Fee Tables**

**Form S-3ASR**  
(Form Type)

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

**Table 1 – Newly Registered Securities and Carry Forward Securities**

**CALCULATION OF REGISTRATION FEE**

	Security Type	Security Class Title	Fee Calculation	Amount to be registered <sup>(1)</sup>	Proposed maximum offering price per Unit <sup>(2)</sup>	Maximum aggregate offering price	Fee Rate	Amount of registration fee <sup>(6)</sup>
Newly Registered Securities								
Fees to be Paid	Equity	Class A Common Stock, par value \$0.00001 per share	457(c) and 457(f)(1)	5,904,827 <sup>(3)</sup>	\$7.95	\$46,943,374.65	0.00011020	\$5,17316
Fees to be Paid	Equity	Class A Common Stock, par value \$0.00001 per share, underlying the options	457(c)	31,132 <sup>(4)</sup>	\$7.95	\$247,499.40	0.00011020	\$27.27
Fees to be Paid	Equity	Class A Common Stock, par value \$0.00001 per share	457(c)	2,168,020 <sup>(5)</sup>	\$7.95	\$17,235,759.00	0.00011020	\$1,899.38
Fees Previously Paid	-	-	-	-	-	-	-	-
Carry Forward Securities								
Carry Forward Securities	-	-	-	-	-	-	-	-
			<b>Total Offering Amounts</b>			\$64,426,633		\$7,099.81
			<b>Total Fees Previously Paid</b>					0
			<b>Total Fee Offsets</b>					0
			<b>Net Fee Due</b>					\$7,099.81

- (1) Includes an indeterminate number of additional shares of Class A common stock, par value \$0.00001 per share (the "Class A common stock") of Recursion Pharmaceuticals, Inc. ("Recursion") that, pursuant to Rule 416 under the Securities Act of 1933, as amended, or the Securities Act, may be issued to prevent dilution from stock splits, stock dividends or similar transactions.
  - (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act, based upon the average of the high and low prices of the Class A common stock on the Nasdaq Global Select Market on May 22, 2023.
  - (3) Represents the number of shares of Class A common stock that may be issued upon exchange, retraction or redemption of exchangeable shares of 14998685 Canada Inc. ("Exchangeco"), an indirect subsidiary of Recursion to former shareholders of Valence Discovery Inc. ("Valence") who validly elected to receive the exchangeable shares of Exchangeco in connection with the acquisition by Exchangeco of all of the issued and outstanding equity securities of Valence (the "Valence Acquisition").
  - (4) Represents the number of shares of Class A common stock issuable upon the exercise of options (the "Options") by a former service provider of Valence that are not eligible to be registered on Form S-8. The Options were issued by Valence and assumed by Recursion and exchanged for options that are exercisable for shares of Recursion's Class A common stock in connection with the Valence Acquisition.
  - (5) Represents the number of shares of Class A common stock offered for resale by the selling stockholders in this Registration Statement that were issued or may be issued to the selling stockholders in connection with the Valence Acquisition.
  - (6) The registration fee of \$7,099.81 is calculated in accordance with Rule 457(e) of the Securities Act.
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**EXCHANGEABLE SHARE SUPPORT AGREEMENT**

This **EXCHANGEABLE SHARE SUPPORT AGREEMENT** made as of May 16, 2023 among Recursion Pharmaceuticals, Inc., a Delaware corporation (“**Parent**”), 1414517 B.C. Unlimited Liability Company, an unlimited liability company existing under the laws of the Province of British Columbia (“**Callco**”) and 14998685 Canada Inc, a corporation governed by the laws of Canada (the “**Company**”).

**RECITALS:**

- A. In connection with a Share Purchase Agreement (as may be amended, restated or modified from time to time, the “**Purchase Agreement**”), dated as of May 8, 2023, by and among the Company, Parent, Valence Discovery Inc., a corporation governed by the laws of Canada (“**Valence**”), the Shareholders of Valence party thereto (“**Sellers**”) and Daniel Cohen, solely in his capacity as the representative of the Sellers, the Company has agreed to issue common exchangeable shares in its capital which are exchangeable for Parent Shares (as defined below) (the “**Exchangeable Shares**”) to certain Sellers on the terms and conditions set out in the Purchase Agreement.
- B. Pursuant to the Purchase Agreement, Parent, Callco and the Company are required to enter into an exchangeable share support agreement (the “**Agreement**”).
- C. In connection with transactions contemplated by the Purchase Agreement, it is necessary and advisable to provide Parent and Callco with the rights herein with respect to the Exchangeable Shares.
- D. In consideration of the foregoing and the mutual agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the parties hereby agree as follows:

**ARTICLE 1  
DEFINITIONS AND INTERPRETATION**

**1.1 Defined Terms**

In this Agreement, each capitalized term used and not otherwise defined herein shall have the meaning ascribed thereto in the rights, privileges, restrictions and conditions (collectively, the “**Exchangeable Share Provisions**”) attaching to the Exchangeable Shares as set out in the articles of the Company, unless the context requires otherwise and the following terms shall have the following meanings:

“**Automatic Exchange Right**” has the meaning set forth in [Section 3.10\(b\)](#);

“**Beneficiaries**” means the registered holders from time to time of Exchangeable Shares, other than Parent, its Subsidiaries or the Company;

“**Broker**” has the meaning set forth in [Section 3.11](#);

“**Canadian Resident**” means either (i) a person who, at the relevant time, is a resident of Canada for purposes of the *Income Tax Act* (Canada), or (ii) a partnership that is a “Canadian partnership” for purposes of the *Income Tax Act* (Canada);

“**Change of Law**” means any amendment to the *Income Tax Act* (Canada) and other applicable provincial income tax Laws that permits Canadian Resident holders of the

Exchangeable Shares, who hold the Exchangeable Shares as capital property and deal at arm's length with Parent and the Company (all for the purposes of the *Income Tax Act* (Canada) and other applicable provincial income tax Laws), to exchange their Exchangeable Shares for Parent Shares on a basis that will not require such holders to recognize any income, gain or loss or any actual or deemed dividend in respect of such exchange for the purposes of the *Income Tax Act* (Canada) or applicable provincial income tax Laws;

“**Change of Law Call Date**” has the meaning set forth in [Section 5.3\(b\)](#);

“**Change of Law Call Purchase Price**” has the meaning set forth in [Section 5.3\(a\)](#);

“**Change of Law Call Right**” has the meaning set forth in [Section 5.3\(a\)](#);

“**Equivalent Dividend**” has the meaning set forth in [Section 2.1\(a\)\(i\)](#);

“**Exchange Right**” has the meaning set forth in [Section 3.1\(a\)](#);

“**Insolvency Event**” means (i) the institution by the Company of any proceeding to be adjudicated a bankrupt or insolvent or to be dissolved or wound up, or the consent of the Company to the institution of bankruptcy, insolvency, dissolution or winding-up proceedings against it, (ii) the filing by the Company of a petition, answer or consent seeking dissolution or winding-up under any bankruptcy, insolvency or analogous laws, including the *Companies Creditors' Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada), or the failure by the Company to contest in good faith any such proceedings commenced in respect of the Company within thirty (30) days of becoming aware thereof, or the consent by the Company to the filing of any such petition or to the appointment of a receiver, (iii) the making by the Company of a general assignment for the benefit of creditors, or the admission in writing by the Company of its inability to pay its debts generally as they become due, or (iv) the Company not being permitted, pursuant to solvency requirements of applicable Law, to redeem any Retracted Shares pursuant to Part 2 Section 1.7(a)(iii) of the Exchangeable Share Provisions specified in a retraction request delivered to the Company in accordance with Part 2 Section 1.7 of the Exchangeable Share Provisions;

“**Liquidation Call Purchase Price**” has the meaning set forth in [Section 5.1\(a\)](#);

“**Liquidation Call Right**” has the meaning set forth in [Section 5.1\(a\)](#);

“**Liquidation Event**” has the meaning set forth in [Section 3.10\(a\)](#);

“**Liquidation Event Effective Date**” has the meaning set forth in [Section 3.10\(c\)](#);

“**Offer**” has the meaning set forth in [Section 2.7](#);

“**Other Corporation**” has the meaning set forth in [Section 4.4\(c\)](#);

“**Other Shares**” has the meaning set forth in [Section 4.4\(c\)](#);

“**Parent Shares**” means the Class A Common Stock of Parent, par value of \$0.00001 per share;

“**Parent Successor**” has the meaning set forth in [Section 4.1\(a\)](#);

“**Redemption Call Purchase Price**” has the meaning set forth in Section 5.2(a);

“**Redemption Call Right**” has the meaning set forth in Section 5.2(a);

“**Retracted Shares**” has the meaning set forth in Section 3.7; and

“**Withholding Shortfall**” has the meaning set forth in Section 3.11.

## 1.2 Interpretation Not Affected by Headings

The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles and Sections are to Articles and Sections of this Agreement unless otherwise specified.

## 1.3 Number and Gender

Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular, and words denoting either gender shall include both genders as the context requires. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

## 1.4 Date of any Action

If the date on which any action is required or permitted to be taken under this Agreement by a person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

## 1.5 Statutes

Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

# ARTICLE 2 COVENANTS OF PARENT AND THE COMPANY

## 2.1 Covenants Regarding Exchangeable Shares

So long as any Exchangeable Shares not owned by Parent or its Subsidiaries are outstanding, Parent shall:

- (a) not take any action that will result in the declaration or payment of any dividend or make any other distribution on the Parent Shares unless:
  - (i) the Company shall (A) simultaneously declare or pay, as the case may be, an equivalent dividend or other distribution economically equivalent thereto (as determined in accordance with the Exchangeable Share Provisions) on the Exchangeable Shares (an “**Equivalent Dividend**”), (B) in the case of a cash dividend or other distribution, receive sufficient money or other assets from Parent (through any intermediary entities) to enable the due declaration and the due and punctual payment, in accordance with applicable Law and the Exchangeable Share Provisions, of any such Equivalent Dividend and (C) in the case of a dividend or other distribution that is a stock or share dividend or a distribution of stock or

shares, have sufficient authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable Law and the Exchangeable Share Provisions, of any such Equivalent Dividend; provided, however, for the avoidance of doubt, that in no event may the Company elect to effect a dividend or other distribution that is a stock or share dividend or a distribution of stock or shares in the form of cash or property other than stock or shares;

- (ii) if the board of directors of the Company so chooses, in its sole discretion, as an alternative to taking any of the actions described in Section 2.1(a)(i), the Company shall adjust the Exchangeable Share Exchange Ratio in accordance with the Exchangeable Share Provisions, provided, however, that the Exchangeable Share Exchange Ratio shall only be so adjusted to the extent that the Board of Directors determines in good faith and in its sole discretion that the Company would be liable for any unrecoverable tax as a result of taking any of the actions described in Section 2.1(a)(i) and determines to adjust the Exchangeable Share Exchange Ratio in lieu of taking any such action;
- (b) advise the Company sufficiently in advance of the declaration by Parent of any dividend or other distribution on the Parent Shares and take all such other actions as are reasonably necessary or desirable, in co-operation with the Company, to ensure that the respective declaration date, record date and payment date for an Equivalent Dividend shall be the same as the declaration date, record date and payment date for the corresponding dividend or other distribution on the Parent Shares;
- (c) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit the Company, in accordance with applicable Law, to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount, the Retraction Price or the Redemption Price in respect of each issued and outstanding Exchangeable Share upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the delivery of a Retraction Request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by the Company, as the case may be, including without limitation all such actions and all such things as are necessary or desirable to enable and permit the Company to deliver or cause to be delivered Parent Shares or other property to the holders of Exchangeable Shares in accordance with the provisions of Part 2 Sections 1.6, 1.7 or 1.8, as the case may be, of the Exchangeable Share Provisions;
- (d) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Parent or Callco, as the case may be, in accordance with applicable Law, to perform its obligations arising upon the exercise by it of the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right or the Redemption Call Right, including without limitation all such actions and all such things as are necessary or desirable to enable and permit Parent or Callco, as the case may be, to deliver or cause to be delivered Parent Shares or other property to the holders of Exchangeable Shares in accordance with the provisions of the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right or the Redemption Call Right, as the case may be;

- (e) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Parent or Callco, in accordance with applicable Law, to perform its obligations in connection with a Retraction Request pursuant to Part 2 Section 1.7 of the Exchangeable Share Provisions and a Seventh Anniversary Redemption pursuant to Part 2 Section 1.8 of the Exchangeable Share Provisions, including without limitation all such actions and all such things as are necessary or desirable to enable and permit Parent or Callco to deliver or cause to be delivered Parent Shares or other property to the holders of Exchangeable Shares in accordance with the provisions of Part 2 Sections 1.7 and 1.8 of the Exchangeable Share Provisions; and
- (f) not exercise its vote as a shareholder of the Company to initiate the voluntary liquidation, dissolution or winding up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, without the prior written consent of the holders of the Exchangeable Shares as long as any Exchangeable Shares are outstanding.

## **2.2 Segregation of Funds**

Parent will deposit a sufficient amount of funds in a separate account of Parent and segregate a sufficient amount of such other assets and property as is necessary to enable the Company to pay or otherwise satisfy its obligations with respect to the applicable dividend, Liquidation Amount, Retraction Price or Redemption Price, in each case once such amounts become payable under the terms of this Agreement or the Exchangeable Share Provisions. Once such amounts become payable, Parent will transfer such funds to the Company (through any intermediary entities) and the Company will use such funds, assets and property so segregated exclusively for the payment of dividends and the payment or other satisfaction of the Liquidation Amount, the Retraction Price or the Redemption Price, as applicable net of any corresponding withholding tax obligations and for the remittance of such withholding tax obligations.

## **2.3 Reservation of Parent Shares**

Parent hereby represents, warrants and covenants in favour of the Company and Callco that Parent has reserved for issuance and shall, at all times while any Exchangeable Shares are outstanding, keep available, free from pre-emptive and other rights, out of its authorized and unissued capital stock such number of Parent Shares (or other shares or securities into which Parent Shares may be reclassified or changed as contemplated by [Section 2.6](#)):

- (a) as is equal to the sum of the number of Parent Shares into which: (i) the number of Exchangeable Shares issued and outstanding from time to time is exchangeable and (ii) the number of Exchangeable Shares issuable upon the exercise of all rights to acquire Exchangeable Shares outstanding from time to time is exchangeable; and
- (b) as are now and may hereafter be required to enable and permit each of Parent, Callco and the Company to meet its obligations under the Exchangeable Share Provisions, this Agreement and any other security or commitment relating to the transactions contemplated by the Purchase Agreement pursuant to which Parent may now or hereafter be required to issue or cause to be issued Parent Shares.

## 2.4 Notification of Certain Events

In order to assist Parent to comply with its obligations hereunder and to permit Parent or Callco to exercise, as the case may be, the Liquidation Call Right, the Retraction Call Right, the Change of Law Call Right or the Redemption Call Right, as applicable, the Company shall notify Parent and Callco of each of the following events at the time set forth below:

- (a) in the event of any determination by the board of directors of the Company to institute voluntary liquidation, dissolution or winding-up proceedings with respect to the Company or to effect any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, at least sixty (60) days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution;
- (b) promptly upon the earlier of (i) receipt by the Company of notice of, and (ii) the Company otherwise becoming aware of, any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of the Company or to effect any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;
- (c) immediately, upon receipt by the Company of a Retraction Request;
- (d) on the same date on which notice of redemption is given to holders of Exchangeable Shares, upon the determination of a Redemption Date in accordance with the Exchangeable Share Provisions;
- (e) as soon as practicable upon the issuance by the Company of any Exchangeable Shares or rights to acquire Exchangeable Shares (other than the issuance of Exchangeable Shares and rights to acquire Exchangeable Shares pursuant to the Purchase Agreement); and
- (f) promptly, upon receiving notice of a Change of Law.

## 2.5 Delivery of Parent Shares

Upon notice from Callco or the Company of any event that requires Callco or the Company to deliver or cause to be delivered Parent Shares to any holder of Exchangeable Shares, Parent shall forthwith issue and deliver or cause to be delivered the requisite number of shares of Parent Shares for the benefit of Callco or the Company, as appropriate, and Callco or the Company, as the case may be, shall forthwith cause to be delivered the requisite number of Parent Shares to be received by or for the benefit of the former holder of the surrendered Exchangeable Shares. All such Parent Shares shall be duly authorized and validly issued as fully paid, non-assessable, free of preemptive rights and shall be free and clear of any lien, claim or encumbrance.

## 2.6 Economic Equivalence

- (a) So long as any Exchangeable Shares not owned by Parent or its Subsidiaries are outstanding:
  - (i) Parent shall not without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with Part 2 Section 1.10(b) of the Exchangeable Share Provisions:



- (A) issue or distribute Parent Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Shares) to the holders of all or substantially all of the then outstanding Parent Shares by way of stock or share dividend or other distribution, other than an issue of Parent Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Shares) to holders of Parent Shares (1) who exercise an option to receive dividends in Parent Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Shares) in lieu of receiving cash dividends, or (2) pursuant to any dividend reinvestment plan or scrip dividend or similar arrangement; or
- (B) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Parent Shares entitling them to subscribe for or to purchase Parent Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Shares); or
- (C) issue or distribute to the holders of all or substantially all of the then outstanding Parent Shares (1) shares or securities of Parent of any class other than Parent Shares (or securities convertible into or exchangeable for or carrying rights to acquire Parent Shares), (2) rights, options, warrants or other assets other than those referred to in Section 2.6, (3) evidence of indebtedness of Parent or assets of Parent;

unless, in each case, the Company issues or distributes the economic equivalent of such rights, options, warrants, securities, shares, evidences of indebtedness or other assets simultaneously to holders of the Exchangeable Shares including, without limitation, by adjusting the Exchangeable Share Exchange Ratio in accordance with the terms of the Exchangeable Share Provisions; provided, however, that, the above restrictions shall not apply to any securities issued or distributed by Parent in order to give effect to and to consummate the transactions contemplated by, and in accordance with, the Purchase Agreement.

- (ii) Parent shall not without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with Part 2 Section 1.10(b) of the Exchangeable Share Provisions:
  - (A) subdivide, redivide or change the then outstanding Parent Shares into a greater number of Parent Shares;
  - (B) reduce, combine, consolidate or change the then outstanding Parent Shares into a lesser number of Parent Shares; or
  - (C) reclassify or otherwise change the Parent Shares or effect an amalgamation, merger, reorganization or other transaction affecting the Parent Shares;

unless, in each case, the same or an economically equivalent change is made simultaneously to, or in the rights of the holders of, the Exchangeable Shares; provided, however, that, the above restrictions shall not apply to any securities issued or distributed by Parent in order to give effect to and to consummate the transactions contemplated by, and in accordance with the Purchase Agreement.

- (b) The board of directors of the Company shall determine, in good faith and in its sole discretion (with the assistance of such financial or other advisors as the board of may determine), “economic equivalence” for the purposes of any event referred to in Section 2.6 or Section 2.6 and each such determination shall be conclusive and binding on Parent. In making each such determination, the following factors shall, without excluding other factors determined by the board of directors of the Company to be relevant, be considered by the board of directors of the Company:
- (i) in the case of any stock or share dividend or other distribution payable in Parent Shares, the number of such shares issued as a result of such stock or share dividend or other distribution in proportion to the number of Parent Shares previously outstanding;
  - (ii) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Parent Shares (or securities exchangeable for or convertible into or carrying rights to acquire Parent Shares), the relationship between the exercise price of each such right, option or warrant, the number of such rights, options or warrants to be issued or distributed in respect of each Parent Share and the Current Market Price of a Parent Share, the price volatility of the Parent Shares and the terms of any such instrument;
  - (iii) in the case of the issuance or distribution of any other form of property (including without limitation any shares or securities of Parent of any class other than Parent Shares, any rights, options or warrants other than those referred to in Section 2.6, any evidences of indebtedness of Parent or any assets of Parent), the relationship between the fair market value (as determined by the board of directors of the Company in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Parent Share and the Current Market Price of a Parent Share;
  - (iv) in the case of any subdivision, redivision or change of the then outstanding Parent Shares into a greater number of Parent Shares or the reduction, combination, consolidation or change of the then outstanding Parent Shares into a lesser number of Parent Shares or any amalgamation, merger, arrangement, reorganization or other transaction affecting the Parent Shares, the effect thereof upon the then outstanding Parent Shares; and
  - (v) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of Parent Shares as a result of differences between taxation Laws of Canada and the United States (except for any differing consequences arising as a result of differing marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).
- (c) The Company agrees that, to the extent required, upon due notice from Parent, the Company shall use its best efforts to take or cause to be taken such steps as may be necessary for the purposes of ensuring that appropriate dividends are paid or other distributions are made by the Company, or changes are made to the Exchangeable Shares, in order to implement the required economic equivalence

with respect to the Parent Shares and Exchangeable Shares as provided for in this Section 2.6.

## **2.7 Tender Offers**

In the event that a tender offer, share exchange offer, issuer bid, take-over bid, or similar transaction with respect to Parent Shares (an “Offer”) is proposed by Parent or is proposed to Parent or its shareholders and is recommended by the board of directors of Parent, or is otherwise effected or to be effected with the consent or approval of the board of directors of Parent, and the Exchangeable Shares are not redeemed by the Company or purchased by Parent or Callco pursuant to the Redemption Call Right, Parent and the Company will use reasonable efforts to take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares (other than Parent and its Subsidiaries) to participate in such Offer to the same extent and on an economically equivalent basis as the holders of Parent Shares, without discrimination. Without limiting the generality of the foregoing, Parent and the Company will use reasonable efforts in good faith to ensure that holders of Exchangeable Shares may participate in each such Offer without being required to retract Exchangeable Shares as against the Company (or, if so required, to ensure that any such retraction shall be effective only upon, and shall be conditional upon, the closing of such Offer and only to the extent necessary to tender or deposit to the Offer). Nothing herein shall affect the rights of the Company to redeem, or Parent or Callco to purchase pursuant to the Redemption Call Right, Exchangeable Shares in the event of a Parent Extraordinary Transaction.

## **2.8 Parent and Subsidiaries Not to Vote Exchangeable Shares**

Each of Parent and Callco covenants and agrees that it shall appoint and cause to be appointed proxyholders with respect to all Exchangeable Shares held by it and its Subsidiaries for the sole purpose of attending any meeting of holders of Exchangeable Shares in order to be counted as part of the quorum for each such meeting. Each of Parent and Callco further covenants and agrees that it shall not, and shall cause its Subsidiaries not to, exercise any voting rights which may be exercisable by holders of Exchangeable Shares from time to time pursuant to the Exchangeable Share Provisions or pursuant to the provisions of the *Canada Business Corporations Act* (or any successor or other corporate statute by which the Company may in the future be governed) with respect to any Exchangeable Shares held by it or by its Subsidiaries in respect of any matter considered at any meeting of holders of Exchangeable Shares; provided however, for further clarity, that this Section 2.8 shall not in any way restrict the right of Parent or any of its Subsidiaries to vote their common shares of the Company.

## **2.9 Ordinary Market Purchases**

Nothing contained in this Agreement, including without limitation the obligations of Parent contained in Section 2.8, shall limit the ability of Parent (or any of its affiliates) to make ordinary market or other voluntary purchases of Parent Shares, including by private agreement, in accordance with applicable Laws and regulatory or stock exchange requirements.

## **2.10 Ownership of Outstanding Shares**

Without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with Part 2 Section 1.10(b) of the Exchangeable Share Provisions, Parent covenants and agrees in favour of the Company that, as long as any outstanding Exchangeable Shares not owned by Parent or its Subsidiaries are outstanding, Parent will be and remain the direct or indirect beneficial owner of all issued and outstanding common shares in the capital of the Company and Callco. Notwithstanding the foregoing, Parent shall not be in violation of this Section 2.10 if any person or group of persons acting jointly or in concert

acquires all or substantially all of the assets of Parent or the Parent Shares pursuant to any merger or similar transaction involving Parent pursuant to which Parent is not the surviving corporation.

#### **2.11 Reimbursement by Parent**

Parent shall reimburse the Company for, and indemnify and hold the Company harmless against, any expense or liability incurred by the Company with respect to the Exchangeable Shares.

### **ARTICLE 3 EXCHANGE AND AUTOMATIC EXCHANGE**

#### **3.1 Grant and Ownership of the Exchange Right and Automatic Exchange Right**

- (a) Parent and, in the case of the Exchange Right, Callco hereby grant to the Company as trustee for and on behalf of, and for the use and benefit of, the Beneficiaries (i) the right (the “**Exchange Right**”), voluntarily at any time or upon the occurrence and during the continuance of an Insolvency Event, to require Parent or Callco to purchase from each or any Beneficiary all or any part of the Exchangeable Shares held by such Beneficiary and (ii) the Automatic Exchange Right, all in accordance with the provisions of this Agreement. Notwithstanding anything to the contrary in the Exchangeable Share Provisions, the Company as trustee for and on behalf of, and for the use and benefit of, the Beneficiaries, shall be provided with the opportunity to voluntarily exercise the Exchange Right prior to the acquisition by the Corporation of Exchangeable Shares pursuant to the Exchangeable Share Provisions. Each of Parent and Callco hereby acknowledges receipt from the Company as bare trustee and agent for and on behalf of the Beneficiaries of good and valuable consideration (and the adequacy thereof) for the grant of the Exchange Right and the Automatic Exchange Right by Parent or Callco, as the case may be, to the Company.
- (b) During the term of this Agreement, and subject to the terms and conditions of this Agreement, the Company shall possess and be vested with full legal ownership of the Exchange Right and the Automatic Exchange Right and shall be entitled to exercise all of the rights and powers of an owner with respect to the Exchange Right and the Automatic Exchange Right, provided that the Company shall:
  - (i) hold the Exchange Right and the Automatic Exchange Right and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this Agreement; and
  - (ii) except as specifically authorized by this Agreement, have no power or authority to exercise or otherwise deal in or with the Exchange Right or the Automatic Exchange Right.
- (c) The obligations of Parent to issue Parent Shares pursuant to the Exchange Right or the Automatic Exchange Right are subject to all applicable Laws and regulatory or stock exchange requirements.

#### **3.2 Legended Share Certificates**

The Company shall cause each certificate representing Exchangeable Shares to bear a legend notifying the Beneficiary in respect of the Exchangeable Shares represented by such certificate of (a) his, her or its right to instruct the Company with respect to the exercise of the

Exchange Right in respect of the Exchangeable Shares held by such Beneficiary and (b) the Automatic Exchange Right.

### 3.3 General Exercise of Exchange Right

The Exchange Right shall be and remain vested in and exercisable by the Company. The Company shall exercise the Exchange Right only on the basis of instructions received pursuant to this Article 3 from Beneficiaries entitled to instruct the Company as to the exercise thereof. To the extent that no instructions are received from a Beneficiary with respect to the Exchange Right, the Company shall not exercise or permit the exercise of the Exchange Right.

### 3.4 Purchase Price

The purchase price payable by Parent or Callco, as the case may be, for each Exchangeable Share to be purchased by Parent or Callco, as the case may be, pursuant to the exercise of the Exchange Right shall be an amount per share equal to the Exchangeable Share Price on the last Business Day prior to the day of the closing of the purchase and sale of such Exchangeable Share pursuant to such exercise of the Exchange Right, which price may be satisfied only by Parent or Callco, as the case may be, delivering or causing to be delivered the Exchangeable Share Consideration representing such Exchangeable Share Price. Upon payment by Parent or Callco, as the case may be, of the Exchangeable Share Price, the relevant Beneficiary shall cease to have any right to be paid any amount in respect of declared and unpaid dividends on each such Exchangeable Share by the Company and the Company shall cease to be obligated to pay any amount in respect of such dividends.

### 3.5 Exercise Instructions

Subject to the terms and conditions set forth herein, a Beneficiary shall be entitled voluntarily at any time or upon the occurrence and during the continuance of an Insolvency Event, to instruct the Company to exercise the Exchange Right with respect to all or any part of the Exchangeable Shares registered in the name of such Beneficiary. In order to cause the Company to exercise the Exchange Right with respect to all or any part of the Exchangeable Shares registered in the name of a Beneficiary, such Beneficiary shall deliver to the Company, in person or by certified or registered mail, at its principal office in Salt Lake City, Utah or at such other place as the Company may from time to time designate by written notice to the Beneficiaries, the certificates representing the Exchangeable Shares which such Beneficiary desires Parent or Callco to purchase, duly endorsed in blank for transfer, and accompanied by such other documents and instruments as may be required to effect a transfer of the Exchangeable Shares under the *Canada Business Corporations Act*, the articles of the Company and such additional documents and instruments as Parent or the Company may reasonably require together with:

- (a) a duly completed form of notice of exercise of the Exchange Right, contained on the reverse of or attached to the Exchangeable Share certificates, stating (i) that the Beneficiary thereby instructs the Company to exercise the Exchange Right so as to require Parent or Callco to purchase from the Beneficiary the number of Exchangeable Shares specified therein, (ii) that such Beneficiary has good title to and owns all such Exchangeable Shares to be acquired by Parent or Callco free and clear of all liens, claims, security interests and encumbrances, (iii) the names in which the certificates (or the electronic equivalent thereof) representing Parent Shares issuable in connection with the exercise of the Exchange Right are to be issued, and (iv) the names and addresses of the persons to whom such new certificates (or the electronic equivalent thereof) should be delivered; and

- (b) payment (or evidence satisfactory to Parent and the Company of payment) of the taxes (if any) payable as contemplated by Section 3.8 (or evidence satisfactory to Parent and the Company that no such taxes are payable);

provided that if only a part of the Exchangeable Shares represented by any certificate or certificates delivered to the Company are to be purchased by Parent or Callco pursuant to the exercise of the Exchange Right, a new certificate (or the electronic equivalent thereof) for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Company.

### **3.6 Delivery of Parent Shares; Effect of Exercise**

Promptly after the receipt by the Company of the certificates representing the Exchangeable Shares which a Beneficiary desires Parent or Callco to purchase pursuant to the exercise of the Exchange Right, together with a notice of exercise and such other documents and instruments specified by Section 3.5, the Company shall notify Parent and Callco of its receipt of the same, which notice to Parent and Callco shall constitute exercise of the Exchange Right by the Company on behalf of such Beneficiary in respect of such Exchangeable Shares, and Parent or Callco, as the case may be, shall promptly thereafter deliver or cause to be delivered to such Beneficiary (or to such other persons, if any, properly designated by such Beneficiary) the Exchangeable Share Consideration deliverable in connection with such exercise of the Exchange Right; provided, however, that no such delivery shall be made unless and until the Beneficiary requesting the same shall have paid (or provided evidence satisfactory to Parent, Callco and the Company of the payment of) the taxes (if any) payable as contemplated by Section 3.8 (or evidence satisfactory to Parent and the Company that no such taxes are payable). Immediately upon the giving of notice by the Company to Parent and Callco of any exercise of the Exchange Right, as provided in this Section 3.6, the closing of the transaction of purchase and sale contemplated by the Exchange Right shall be deemed to have occurred, and the Beneficiary of such Exchangeable Shares shall be deemed to have transferred to Parent or Callco, as the case may be, all of such Beneficiary's right, title and interest in and to such Exchangeable Shares and shall cease to be a holder of such Exchangeable Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the total Exchangeable Share Consideration in respect of such Exchangeable Shares, unless such Exchangeable Share Consideration is not delivered by Parent or Callco, as the case may be, to such Beneficiary (or to such other person, if any, properly designated by such Beneficiary) within five (5) Business Days of the date of the giving of such notice by the Company, in which case the rights of the Beneficiary shall remain unaffected until such Exchangeable Share Consideration is so delivered. Concurrently with the closing of the transaction of purchase and sale contemplated by such exercise of the Exchange Right, the Beneficiary shall be considered and deemed for all purposes to be the holder of the Parent Shares delivered to it pursuant to such exercise of the Exchange Right.

### **3.7 Exercise of Exchange Right Subsequent to Retraction**

In the event that a Beneficiary has exercised its retraction right under Part 2 Section 1.7 of the Exchangeable Share Provisions to require the Company to redeem any or all of the Exchangeable Shares held by the Beneficiary (the "**Retracted Shares**") and is notified by the Company pursuant to Part 2 Section 1.7(a)(iii) of the Exchangeable Share Provisions that the Company will not be permitted as a result of solvency requirements of applicable Law to redeem all such Retracted Shares, provided that neither Parent nor Callco shall have exercised its Retraction Call Right with respect to the Retracted Shares and that the Beneficiary shall not have revoked the retraction request delivered by the Beneficiary to the Company pursuant to Part 2 Section 1.7(a)(iv) of the Exchangeable Share Provisions, the retraction request will constitute and will be deemed to constitute notice from the Beneficiary to the Company instructing the

Company to exercise the Exchange Right with respect to those Retracted Shares that the Company is unable to redeem.

### 3.8 Stamp or Other Transfer Taxes

Upon any sale or transfer of Exchangeable Shares to Parent or Callco, as the case may be, pursuant to the exercise of the Exchange Right or the Automatic Exchange Right, the share certificate or certificates representing the Parent Shares to be delivered in connection with the payment of the purchase price therefor shall be issued in the name of the Beneficiary in respect of the Exchangeable Shares so sold or transferred or in such names as such Beneficiary may otherwise direct in writing without charge to the holder of the Exchangeable Shares so sold or transferred; provided, however, that such Beneficiary shall pay (and none of Parent, Callco, or the Company shall be required to pay) any documentary, stamp, transfer of other similar taxes or duties that may be payable in respect of any sale or transfer involved in the issuance or delivery of such shares to a person other than such Beneficiary including, without limitation, in the event that Exchangeable Shares are being delivered, sold or transferred in the name of a clearing service or depository or a nominee thereof.

### 3.9 Notice of Insolvency Event

As soon as practicable following the occurrence of an Insolvency Event or any event that with the giving of notice or the passage of time or both would be an Insolvency Event, the Company shall give written notice thereof to Parent and shall mail to each Beneficiary a notice of such Insolvency Event in the form provided by Parent, which notice shall contain a brief statement of the rights of the Beneficiaries with respect to the Exchange Right.

### 3.10 Automatic Exchange on Liquidation of Parent

- (a) Parent shall give the Company written notice of each of the following events (each, a "**Liquidation Event**") at the time set forth below:
  - (i) in the event of any determination by the board of directors of Parent to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Parent or to effect any other distribution of assets of Parent among its shareholders for the purpose of winding up its affairs, at least thirty (30) days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution; and
  - (ii) as soon as practicable following the earlier of (A) receipt by Parent of notice of, and (B) Parent otherwise becoming aware of any instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding up of Parent or to effect any other distribution of assets of Parent among its shareholders for the purpose of winding up its affairs, in each case where Parent has failed to contest in good faith any such proceeding commenced in respect of Parent within thirty (30) days of becoming aware thereof.
- (b) As soon as practicable following receipt by the Company from Parent of notice of a Liquidation Event, the Company shall give notice thereof to the Beneficiaries. Such notice shall be provided by Parent to the Company and shall include a brief description of the automatic exchange of Exchangeable Shares for Parent Shares provided for in Section 3.10(c) (the "**Automatic Exchange Right**").

- (c) In order to ensure that the Beneficiaries will be able to participate on a pro rata basis with the holders of Parent Shares in the distribution of assets of Parent in connection with a Liquidation Event, immediately prior to the effective date (the “**Liquidation Event Effective Date**”) of a Liquidation Event, each of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Parent and its Subsidiaries) shall be automatically exchanged for the Exchangeable Share Consideration. To effect such automatic exchange, Parent or Callco, as the case may be, shall purchase each such Exchangeable Share outstanding immediately prior to the Liquidation Event Effective Date, and each Beneficiary shall sell each Exchangeable Shares held by it at such time, free and clear of any lien, claim or encumbrance, for a purchase price per share equal to the Exchangeable Share Price immediately prior to the Liquidation Event Effective Date, which price shall be satisfied in full by Parent or Callco, as the case may be, delivering to such holder the Exchangeable Share Consideration representing such Exchangeable Share Price. The Beneficiary shall upon delivery of the Exchangeable Share Consideration cease to have any rights to be paid by the Company any amount in respect of declared and unpaid dividends on the Exchangeable Shares.
- (d) The closing of the purchase and sale contemplated by any exercise of the Automatic Exchange Right shall be deemed to have occurred at the close of business on the Business Day immediately prior to the Liquidation Event Effective Date, and each Beneficiary shall be deemed to have transferred to Parent or Callco, as the case may be, all of such Beneficiary’s right, title and interest in and to the Exchangeable Shares held by such Beneficiary free and clear of any lien, claim or encumbrance, any right of each such Beneficiary to receive declared and unpaid dividends from the Company shall be deemed to be satisfied and discharged, and each such Beneficiary shall cease to be a holder of such Exchangeable Shares and Parent or Callco, as the case may be, shall deliver or cause to be delivered to the Beneficiary, the Exchangeable Share Consideration deliverable to such Beneficiary upon such exercise of the Automatic Exchange Right. Concurrently with each such Beneficiary ceasing to be a holder of Exchangeable Shares, such Beneficiary shall be considered and deemed for all purposes to be the holder of the Parent Shares included in the Exchangeable Share Consideration to be delivered to such Beneficiary and the certificates held by such Beneficiary previously representing the Exchangeable Shares exchanged by the Beneficiary with Parent or Callco, as the case may be, pursuant to the exercise of the Automatic Exchange Right shall thereafter be deemed to represent the Parent Shares issued to such Beneficiary by Parent pursuant to the exercise of the Automatic Exchange Right. Upon the request of any Beneficiary and the surrender by such Beneficiary of Exchangeable Share certificates deemed to represent Parent Shares, duly endorsed in blank and accompanied by such instruments of transfer as Parent or Callco, as the case may be, may reasonably require, Parent or Callco, as the case may be, shall deliver or cause to be delivered to such Beneficiary certificates representing the Parent Shares of which the Beneficiary is the holder.

### **3.11 Withholding Rights**

Parent, Callco, the Company and any other Person that has any withholding obligation with respect to any dividend, distribution, price or other consideration otherwise payable under this Agreement or deemed to be paid to any holder of Exchangeable Shares or Parent Shares (any such Person, an “**Other Withholding Agent**”) shall be entitled to deduct and withhold from any dividend, distribution, price or other consideration otherwise paid under this Agreement or deemed to be paid to any holder of Exchangeable Shares or Parent Shares such amounts as are



required to be deducted or withheld with respect to such payment or deemed payment under the *Income Tax Act* (Canada) or United States tax Laws or any provision of federal, provincial, territorial, state, local, foreign or other tax Law, in each case as amended or succeeded. Parent, Callco, the Company and any Other Withholding Agent may act and rely on the advice of counsel with respect to such matters. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction or withholding was made, and such deducted or withheld amounts shall be timely remitted to the appropriate taxing agency as required by applicable Law. To the extent that the amount so required to be deducted or withheld from any payment to a Beneficiary exceeds the cash portion of the consideration otherwise payable to the Beneficiary (such difference, a **"Withholding Shortfall"**), Parent, Callco, the Company and any Other Withholding Agent are hereby authorized to (A) (i) sell or otherwise dispose of, or direct Parent, Callco, the Company or any Other Withholding Agent to sell or otherwise dispose of, on their own account or through a broker (the **"Broker"**) and on behalf of the relevant holder or (ii) require such Beneficiary to irrevocably direct the sale through a Broker and irrevocably direct the Broker pay the proceeds of such sale to Parent, Callco, the Company or any Other Withholding Agent, as appropriate (and, in the absence of such irrevocable direction, the Beneficiary shall be deemed to have provided such irrevocable direction), such portion of the consideration as is necessary to provide sufficient funds (after deducting commissions payable to the Broker and other costs and expenses) to Parent, Callco, the Company or any Other Withholding Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and Parent, Callco, the Company or any Other Withholding Agent, as the case may be, shall notify the Beneficiary and remit to such Beneficiary any unapplied balance of the net proceeds of such sale or (B) require such holder to deliver a Retraction Request for a number of Exchangeable Shares that would entitle such holder to net proceeds greater than or equal to the Withholding Shortfall and withhold the Withholding Shortfall from such net proceeds and remit to such holder any unapplied balance of the net proceeds. Each of Parent, Callco, the Company, the Broker, or any Other Withholding Agent, as applicable, shall act in a commercially reasonable manner in respect of any withholding obligation; however, none of Parent, Callco, the Company, the Broker or any Other Withholding Agent, as applicable, will be liable for any loss arising out of any sale or other disposal of such consideration, including any loss relating to the manner or timing of such sale or other disposal, the prices at which the consideration is sold or otherwise disposed of or otherwise.

### **3.12 No Fractional Shares**

A holder of an Exchangeable Share shall not be entitled to any fraction of a Parent Share upon the exercise of the Exchange Right or Automatic Exchange Right hereunder and no certificates representing any such fractional interest shall be issued and such holder otherwise entitled to a fractional interest shall be entitled to receive for such fractional interest from the Company, Parent or Callco, as the case may be, a cash payment equal to such fractional interest multiplied by the Current Market Price rounded down to the nearest cent.

### **3.13 Tax Treatment**

It is the intention of the Company, Callco and Parent that the Exchangeable Shares are treated as shares of Parent for U.S. federal income tax purposes and the provisions of this Agreement shall be interpreted in a manner consistent with the foregoing.

**ARTICLE 4**  
**PARENT SUCCESSORS**

**4.1 Certain Requirements in Respect of Combination, etc.**

Subject to Part 2 Section 1.8 of the Exchangeable Share Provisions and Article 5 hereof with respect to a Parent Extraordinary Transaction, so long as any Exchangeable Shares not owned by Parent or its Subsidiaries are outstanding, Parent shall not enter into any transaction (whether by way of reorganization, consolidation, arrangement, amalgamation, merger, business combination, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of an amalgamation, merger or combination, of the continuing corporation resulting therefrom, provided that it may do so if:

- (a) such other person or continuing corporation (the “**Parent Successor**”) by operation of Law, becomes bound by the terms and provisions of this Agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, an agreement supplemental hereto and such other instruments (if any) as are necessary or advisable to evidence the assumption by the Parent Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such Parent Successor to pay and deliver or cause to be paid and delivered the same and its agreement to observe and perform all the covenants and obligations of Parent under this Agreement; and
- (b) such transaction shall be upon such terms and conditions as to preserve and not to impair any of the rights, duties, powers and authorities of the other parties hereunder or the holders of the Exchangeable Shares.

**4.2 Vesting of Powers in Successor**

Whenever the conditions of Section 4.1 have been duly observed and performed, the parties, if required by Section 4.1, shall execute and deliver the supplemental agreement provided for in Section 4.1(a) and thereupon the Parent Successor and such other person that may then be the issuer of the Parent Shares shall possess and from time to time may exercise each and every right and power of Parent under this Agreement in the name of Parent or otherwise and any act or proceeding by any provision of this Agreement required to be done or performed by the board of directors of Parent or any officers of Parent may be done and performed with like force and effect by the directors or officers of such Parent Successor.

**4.3 Wholly-Owned Subsidiaries**

Nothing herein shall be construed as preventing (a) the amalgamation, merger or combination of any wholly-owned direct or indirect subsidiary of Parent (other than the Company or Callco) with or into Parent, (b) the winding-up, liquidation or dissolution of any wholly-owned direct or indirect subsidiary of Parent (other than the Company or Callco), provided that all of the assets of such subsidiary are transferred to Parent or another wholly-owned direct or indirect subsidiary of Parent, (c) any other distribution of the assets of any wholly-owned direct or indirect subsidiary of Parent (other than the Company or Callco) among the shareholders of such subsidiary for the purpose of winding up its affairs, and (d) any such transactions are expressly permitted by this Article 4.

#### 4.4 Successorship Transaction

Notwithstanding the foregoing provisions of this Article 4, in the event of a Parent Extraordinary Transaction:

- (a) in which Parent merges, combines or amalgamates with, or in which all or substantially all of the then outstanding Parent Shares are acquired by, one or more other corporations to which Parent is, immediately before such merger, combination, amalgamation or acquisition, “related” within the meaning of the *Income Tax Act* (Canada) (otherwise than by virtue of a right referred to in paragraph 251(5)(b) thereof);
- (b) which does not result in an acceleration of the Redemption Date in accordance with paragraph (ii) of the definition of Redemption Date in the Exchangeable Share Provisions; and
- (c) in which all or substantially all of the then outstanding Parent Shares are converted into or exchanged for shares or rights to receive such shares (the “**Other Shares**”) of another corporation (the “**Other Corporation**”) that, immediately after such Parent Extraordinary Transaction, owns or controls, directly or indirectly, Parent;

then all references herein to “Parent” shall thereafter be and be deemed to be references to “Other Corporation” and all references herein to “Parent Shares” shall thereafter be and be deemed to be references to “Other Shares” (with appropriate adjustments if any, as are required to result in a holder of Exchangeable Shares on the exchange, redemption or retraction of such shares pursuant to the Exchangeable Share Provisions or this Agreement including the exchange of such shares pursuant to this Agreement immediately subsequent to the Parent Extraordinary Transaction being entitled to receive that number of Other Shares equal to the number of Other Shares such holder of Exchangeable Shares would have received if the exchange, redemption or retraction of such shares pursuant to the Exchangeable Share Provisions or this Agreement including the exchange of such shares pursuant to this Agreement had occurred immediately prior to the Parent Extraordinary Transaction and the Parent Extraordinary Transaction was completed) but subject to subsequent adjustments to reflect any subsequent changes in the share capital of the issuer of the Other Shares, including without limitation, any subdivision, consolidation or reduction of share capital, without any need to amend the terms and conditions of the Exchangeable Shares and without any further action required.

#### ARTICLE 5 CERTAIN RIGHTS OF PARENT AND CALLCO TO ACQUIRE EXCHANGEABLE SHARES

##### 5.1 Liquidation Call Right

In addition to the rights contained in the Exchangeable Share Provisions, Parent and Callco shall have the following rights and obligations in respect of the Exchangeable Shares:

- (a) Subject to the proviso in Section 5.1(b), that Callco shall only be entitled to exercise the Liquidation Call Right with respect to those Exchangeable Shares, if any, in respect of which Parent has not exercised the Liquidation Call Right, Parent and Callco shall each have the overriding right (the “**Liquidation Call Right**”), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the

Company among its shareholders for the purpose of winding up its affairs, pursuant to the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of the Exchangeable Shares (other than any holder of Exchangeable Shares which is Parent or any of its Subsidiaries) on the Liquidation Date all but not less than all of the Exchangeable Shares held by each such holder upon payment by Parent or Callco, as the case may be, to each such holder of the Exchangeable Share Price (payable in the form of the Exchangeable Share Consideration) applicable on the last Business Day prior to the Liquidation Date (the "**Liquidation Call Purchase Price**") in accordance with Section 5.1(c). In the event of the exercise of the Liquidation Call Right by Parent or Callco, as the case may be, each such holder of Exchangeable Shares (other than Parent and its Subsidiaries) shall be obligated to sell all of the Exchangeable Shares held by the holder to Parent or Callco, as the case may be, on the Liquidation Date upon payment by Parent or Callco, as the case may be, to such holder of the Liquidation Call Purchase Price (payable in the form of Exchangeable Share Consideration) for each such share, and the Company shall have no obligation to pay any Liquidation Amount to the holders of such shares so purchased.

- (b) Callco shall only be entitled to exercise the Liquidation Call Right with respect to those Exchangeable Shares, if any, in respect of which Parent has not exercised the Liquidation Call Right. To exercise the Liquidation Call Right, Parent or Callco, as the case may be, must notify the Transfer Agent, as agent for the holders of the Exchangeable Shares, and the Company of its intention to exercise such right (i) in the case of a voluntary liquidation, dissolution or winding-up of the Company or any other voluntary distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, at fifteen (15) Business Days before the Liquidation Date, or (ii) in the case of an involuntary liquidation, dissolution or winding-up of the Company or any other involuntary distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, at least five (5) Business Days before the Liquidation Date. The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Parent and/or Callco has exercised the Liquidation Call Right forthwith after the expiry of the period during which Parent or Callco may exercise the Liquidation Call Right. If Parent and/or Callco exercises the Liquidation Call Right, then on the Liquidation Date, Parent and/or Callco, as the case may be, will purchase and the holders of the Exchangeable Shares (other than any holder of Exchangeable Shares which is Parent or any of its Subsidiaries) will sell, all of the Exchangeable Shares held by such holders on such date for a price per share equal to the Liquidation Call Purchase Price (payable in the form of Exchangeable Share Consideration).
- (c) For the purposes of completing the purchase and sale of the Exchangeable Shares pursuant to the exercise of the Liquidation Call Right, Parent or Callco, as the case may be, shall deposit or cause to be deposited with the Transfer Agent, on or before the Liquidation Date, the Exchangeable Share Consideration representing the aggregate Liquidation Call Purchase Price for all holders of the Exchangeable Shares (other than Parent and its Subsidiaries), less any amounts withheld pursuant to Section 3.11. Provided that such Exchangeable Share Consideration has been so deposited with the Transfer Agent, the holders of the Exchangeable Shares (other than Parent and its Subsidiaries) shall cease to be holders of the Exchangeable Shares on and after the Liquidation Date and, from and after such date, shall not be entitled to exercise any of the rights of holders in respect thereof other than the right to receive their proportionate part of the aggregate Liquidation Call Purchase Price, without interest, upon presentation and surrender by the

holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Liquidation Date be considered and deemed for all purposes to be the holder of the Parent Shares which such holder is entitled to receive. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the *Canada Business Corporations Act* and the articles of the Company, as applicable, and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive, in exchange therefor, and the Transfer Agent on behalf of Parent or Callco, as the case may be, shall deliver to such holder the Exchangeable Share Consideration such holder is entitled to receive.

- (d) If neither Parent nor Callco notifies the Transfer Agent and the Company in accordance with Section 5.1(b) of its intention to exercise the Liquidation Call Right in the manner and timing described above, each holder of Exchangeable Shares will, at the holder's discretion, be entitled to demand (by way of notice given to the Company or Parent) that Parent exercise (or cause Callco to exercise) the Liquidation Call Right in respect of the shares covered by the notice.

## 5.2 Redemption Call Right

In addition to the rights contained in the Exchangeable Share Provisions, Parent and Callco shall have the following rights and obligations in respect of the Exchangeable Shares:

- (a) Subject to the proviso in Section 5.2(b) that Callco shall only be entitled to exercise the Redemption Call Right with respect to those Exchangeable Shares, if any, in respect of which Parent has not exercised the Redemption Call Right (other than in the case of a Seventh Anniversary Redemption, with respect to which Callco shall always be entitled to exercise the Redemption Call Right), and notwithstanding the obligation of the Company to redeem the Exchangeable Shares pursuant to the Exchangeable Share Provisions, Parent and Callco shall each have the overriding right (the "**Redemption Call Right**") to purchase from all but not less than all of the holders of the Exchangeable Shares (other than any holder of Exchangeable Shares which is Parent or any of its Subsidiaries) on the Redemption Date all but not less than all of the Exchangeable Shares held by each such holder upon payment by Parent or Callco, as the case may be, to each such holder of the Exchangeable Share Price (payable in the form of the Exchangeable Share Consideration) applicable on the last Business Day prior to the Redemption Date (the "**Redemption Call Purchase Price**") in accordance with Section 5.2(c). In the event of the exercise of the Redemption Call Right by Parent or Callco, as the case may be, each such holder of Exchangeable Shares shall be obligated to sell all of the Exchangeable Shares held by the holder to Parent or Callco, as the case may be, on the Redemption Date upon payment by Parent or Callco, as the case may be, to such holder of the Redemption Call Purchase Price (payable in the form of Exchangeable Share Consideration) less any amounts on account of tax required or permitted to be deducted and withheld therefrom under applicable law, and the Company shall have no obligation to redeem, or to pay the redemption price otherwise payable by the Company in respect of the Exchangeable Shares so purchased.
- (b) Callco shall only be entitled to exercise the Redemption Call Right with respect to those Exchangeable Shares, if any, in respect of which Parent has not exercised the Redemption Call Right. To exercise the Redemption Call Right, Parent or

Callco, as the case may be, must notify the Transfer Agent, as agent for the holders of the Exchangeable Shares, and the Company of its intention to exercise such right (i) in the case of a redemption occurring in connection with a Parent Extraordinary Transaction, on or before the Redemption Date, and (ii) in any other case, at least fifteen (15) Business Days before the Redemption Date. The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Parent and/or Callco has exercised the Redemption Call Right forthwith after the expiry of the period during which Parent or Callco may exercise the Redemption Call Right. If Parent and/or Callco exercises the Redemption Call Right, Parent and/or Callco, as the case may be, will purchase and the holders of the Exchangeable Shares (other than any holder of Exchangeable Shares which is Parent or any of its Subsidiaries) will sell, on the Redemption Date, all of the Exchangeable Shares held by such holders on such date for a price per share equal to the Redemption Call Purchase Price (payable in the form of Exchangeable Share Consideration) less any amounts on account of tax required or permitted to be deducted and withheld therefrom under applicable law.

- (c) For the purposes of completing the purchase and sale of the Exchangeable Shares pursuant to the exercise of the Redemption Call Right, Parent or Callco, as the case may be, shall deposit or cause to be deposited with the Transfer Agent, on or before the Redemption Date, the Exchangeable Share Consideration representing the aggregate Redemption Call Purchase Price less any amounts withheld pursuant to Section 3.11. Provided that such Exchangeable Share Consideration has been so deposited with the Transfer Agent, the holders of the Exchangeable Shares (other than Parent and its Subsidiaries) shall cease to be holders of the Exchangeable Shares on and after the Redemption Date and, from and after such date, shall not be entitled to exercise any of the rights of holders in respect thereof other than the right to receive their proportionate part of the aggregate Redemption Call Purchase Price, without interest, upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Redemption Date be considered and deemed for all purposes to be the holder of the Parent Shares which such holder is entitled to receive. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the *Canada Business Corporations Act* and the articles of the Company, as applicable, and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive, in exchange therefor, and the Transfer Agent on behalf of Parent or Callco, as the case may be, shall deliver to such holder the Exchangeable Share Consideration such holder is entitled to receive.
- (d) If neither Parent nor Callco notifies the Transfer Agent and the Company in accordance with Section 5.2(b) of its intention to exercise the Redemption Call Right in the manner and timing described above, each holder of Exchangeable Shares will, at the holder's discretion, be entitled to demand (by way of notice given to the Company or Parent) that Parent exercise (or cause Callco to exercise) the Redemption Call Right in respect of the shares covered by the notice.

### 5.3 Change of Law Call Right

In addition to the rights contained in the Exchangeable Share Provisions, Parent and Callco shall have the following rights and obligations in respect of the Exchangeable Shares:

- (a) Subject to the proviso in Section 5.3(b) that Callco shall only be entitled to exercise the Change of Law Call Right with respect to those Exchangeable Shares, if any, in respect of which Parent has not exercised the Change of Law Call Right, Parent and Callco shall each have the overriding right (the “**Change of Law Call Right**”), in the event of a Change of Law, to purchase from all but not less than all of the holders of the Exchangeable Shares (other than any holder of Exchangeable Shares which is Parent or any of its Subsidiaries) on the Change of Law Call Date all but not less than all of the Exchangeable Shares held by each such holder upon payment by Parent or Callco, as the case may be, to each such holder of the Exchangeable Share Price (payable in the form of the Exchangeable Share Consideration) applicable on the last Business Day prior to the Change of Law Call Date (the “**Change of Law Call Purchase Price**”) in accordance with Section 5.3(c). In the event of the exercise of the Change of Law Call Right by Parent or Callco, as the case may be, each such holder of Exchangeable Shares shall be obligated to sell all of the Exchangeable Shares held by the holder to Parent or Callco, as the case may be, on the Change of Law Call Date upon payment by Parent or Callco, as the case may be, to such holder of the Change of Law Call Purchase Price (payable in the form of Exchangeable Share Consideration).
- (b) Callco shall only be entitled to exercise the Change of Law Call Right with respect to those Exchangeable Shares, if any, in respect of which Parent has not exercised the Change of Law Call Right, other than in the case of a Seventh Anniversary Redemption with respect to which Callco shall always be entitled to exercise the Redemption Call Right. To exercise the Change of Law Call Right, Parent or Callco must notify the Transfer Agent, as agent for the holders of the Exchangeable Shares, and the Company of its intention to exercise such right at least fifteen (15) Business Days before the date (the “**Change of Law Call Date**”) on which Parent or Callco, as the case may be, shall acquire the Exchangeable Shares pursuant to the exercise of the Change of Law Call Right. The Transfer Agent will notify the holders of the Exchangeable Shares as to Parent or Callco exercising the Change of Law Call Right forthwith after receiving notice of such exercise from Parent and/or Callco. If Parent and/or Callco exercises the Change of Law Call Right, Parent or Callco, as the case may be, will purchase and the holders of the Exchangeable Shares (other than any holder of Exchangeable Shares which is Parent or any of its Subsidiaries) will sell, on the Change of Law Call Date, all of the Exchangeable Shares held by such holders on such date for a price per share equal to the Change of Law Call Purchase Price (payable in the form of Exchangeable Share Consideration).
- (c) For the purposes of completing the purchase and sale of the Exchangeable Shares pursuant to the exercise of the Change of Law Call Right, Parent or Callco, as the case may be, shall deposit or cause to be deposited with the Transfer Agent, on or before the Change of Law Call Date, the Exchangeable Share Consideration representing the aggregate Change of Law Call Purchase Price less any amounts withheld pursuant to Section 3.11. Provided that such Exchangeable Share Consideration has been so deposited with the Transfer Agent, the holders of the Exchangeable Shares (other than Parent and its Subsidiaries) shall cease to be holders of the Exchangeable Shares on and after the Change of Law Call Date and, from and after such date, shall not be entitled to exercise any of the rights of holders in respect thereof other than the right to receive their proportionate part of the aggregate Change of Law Call Purchase Price, without interest, upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the

Change of Law Call Date be considered and deemed for all purposes to be the holder of the Parent Shares which such holder is entitled to receive. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the *Canada Business Corporations Act* and the articles of the Company, as applicable, and such additional documents, instruments and payments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive, in exchange therefor, and the Transfer Agent on behalf of Parent or Callco, as the case may be, shall deliver to such holder the Exchangeable Share Consideration such holder is entitled to receive.

#### **5.4 Retraction Call Right**

- (a) The parties hereto hereby acknowledge the rights and obligations in respect of the Exchangeable Shares contained in Part 2 Section 1.7(b) of the Exchangeable Share Provisions.
- (b) If neither Parent nor Callco notifies the Transfer Agent and the Company in accordance with Part 2 Section 1.7(b) of the Exchangeable Share Provisions of its intention to exercise the Retraction Call Right in the manner and timing described therein, each holder of Exchangeable Shares will, at the holder's discretion, be entitled to demand (by way of notice given to the Company or Parent) that Parent exercise (or cause Callco to exercise) the Retraction Call Right in respect of the shares covered by the notice.

### **ARTICLE 6 GENERAL**

#### **6.1 Term**

This Agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect at such time as no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares) are held by any person other than Parent and any of its Subsidiaries.

#### **6.2 Changes in Capital of Parent and the Company**

Notwithstanding the provisions of Section 6.4, at all times after the occurrence of any event contemplated pursuant to Section 2.6 and Section 2.7 or otherwise, as a result of which either Parent Shares or the Exchangeable Shares or both are in any way changed, this Agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which Parent Shares or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such necessary amendments and modifications.

#### **6.3 Severability**

In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall be interpreted so as reasonably to effect the intent of the parties hereto. The parties hereto shall use all reasonable efforts to replace such void or unenforceable provision of this Agreement with a valid and



enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

#### **6.4 Amendments, Modifications**

Subject to [Section 6.2](#), [Section 6.3](#) and [Section 6.5](#), this Agreement may not be amended or modified except by an agreement in writing executed by Parent, Callco and the Company and approved by the holders of the Exchangeable Shares in accordance with Part 2 Section 1.10(b) of the Exchangeable Share Provisions. No amendment or modification or waiver of any of the provisions of this Agreement otherwise permitted hereunder shall be effective unless made in writing and signed by all of the parties hereto.

#### **6.5 Ministerial Amendments**

Notwithstanding the provisions of [Section 6.4](#), the parties to this Agreement may in writing at any time and from time to time, without the approval of the holders of the Exchangeable Shares, amend or modify this Agreement for the purposes of:

- (a) adding to the covenants of any or all of the parties hereto if the board of directors of each of Parent, Callco and the Company shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares;
- (b) evidencing the succession of Parent Successors and the covenants of and obligations assumed by each such Parent Successor in accordance with the provisions of [Article 4](#);
- (c) making such amendments or modifications not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions arising hereunder which, in the good faith opinion of the board of directors of each of Parent, Callco and the Company, it may be expedient to make, provided that each such board of directors shall be of the good faith opinion, after consultation with counsel, that such amendments or modifications will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares; or
- (d) making such changes or corrections hereto which, on the advice of counsel to Parent, Callco and the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained herein, provided that the boards of directors of each of Parent, Callco and the Company shall be of the good faith opinion that such changes or corrections will not be prejudicial to the rights or interests of the holders of the Exchangeable Shares.

#### **6.6 Meeting to Consider Amendments**

The Company, at the request of Parent, shall call a meeting or meetings of the holders of the Exchangeable Shares for the purpose of considering any proposed amendment or modification requiring approval pursuant to [Section 6.4](#). Any such meeting or meetings shall be called and held in accordance with the articles of the Company, the Exchangeable Share Provisions and all applicable Laws.

## 6.7 Enurement

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

## 6.8 Notices to Parties

All notices, requests and other communications to any party hereunder shall be in writing (including email or similar writing) and shall be given:

(a) if to Parent, Callco or the Company to:

Recursion Pharmaceuticals, Inc.  
41 S. Rio Grande Street  
Salt Lake City, UT 84101  
Attention: Nathan B. Hatfield  
Email: nathan.hatfield@recursionpharma.com

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation  
701 Fifth Avenue, Suite 5100  
Seattle, WA 98104  
Attention: Patrick Schultheis; Remi P. Korenblit  
Email: PSchultheis@wsgr.com; rkorenblit@wsgr.com

and with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation  
One Market Plaza, Suite 3300  
San Francisco, CA 94105  
Attention: Robert T. Ishii  
Email: RIshii@wsgr.com

and with a copy (which shall not constitute notice) to:

Osler, Hoskin & Harcourt LLP  
1 First Canadian Place, Suite 6200  
Toronto, Ontario M5X 1B8  
Attention: John Groenewegen; Alex Gorka  
Email: jgroenewegen@osler.com; agorka@osler.com

or such other address or email as such party may hereafter specify by notice to the other parties hereto. Each such notice, request or other communication shall be effective (a) on the day of sending, if sent by email prior to 5:00 p.m., New York City time, on any Business Day or the next succeeding Business Day if sent by email after 5:00 p.m., New York City time, on any Business Day or on any day other than a Business Day or (b) if given by any other means, when delivered at the address specified in this [Section 6.8](#).

## 6.9 Counterparts

This Agreement may be executed in two or more counterparts, each of which when so executed and delivered shall be an original, but all of which shall be considered one and the same instrument. Any such counterpart, to the extent delivered by .pdf or similar attachment to

electronic mail (any such delivery, an “**Electronic Delivery**”) shall be treated in all manners and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in Person. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent that such defense relates to lack of authenticity.

#### **6.10 Jurisdiction**

This Agreement, and all claims, causes of action (whether in contract, tort or statute) or other matter that may result from, arise out of, be in connection with or relating to this Agreement, or the execution or performance of this Agreement, including any claim or cause of action resulting from, arising out of, in connection with, or relating to any representation or warranty made in or in connection with this Agreement (“**Relevant Matters**”), shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof, including its statutes of limitations. Subject to the terms of Section 10.6 of the Purchase Agreement, each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware (or, in the case of a federal claim as to which federal courts have exclusive jurisdiction, the Federal Court of the United States of America) in connection with any Relevant Matter, agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such Persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction, venue and such process. Subject to the terms of Section 10.6 of the Purchase Agreement, each party agrees not to commence any legal proceedings related to any Relevant Matter except in such courts.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**RECURSION PHARMACEUTICALS, INC.**

By: /s/ Chris Gibson  
Name: Chris Gibson  
Title: Chief Executive Officer

**1414517 B.C. UNLIMITED LIABILITY COMPANY**

By: /s/ Chris Gibson  
Name: Chris Gibson  
Title: President

**14998685 CANADA INC.**

By: /s/ Chris Gibson  
Name: Chris Gibson  
Title: President

*[Signature Page to Exchangeable Share Support Agreement]*

**REGISTRATION AGREEMENT**

This REGISTRATION AGREEMENT (this "**Agreement**"), dated as of May 16, 2023 is by and among Recursion Pharmaceuticals, Inc., a Delaware corporation (the "**Acquiror Parent**"), 14998685 Canada Inc., a corporation governed by the laws of Canada ("**Acquiror**"), Valence Discovery Inc., a corporation governed by the laws of Canada (the "**Company**"), the shareholders of the Company party hereto (the "**Sellers**") and Daniel Cohen, solely in his capacity as the representative of the securityholders of the Company (the "**Securityholder Representative**"). Capitalized terms used but not defined herein shall have the meanings ascribed in that certain Share Purchase Agreement dated as of May 8, 2023 the "**Purchase Agreement**", by and among Acquiror Parent, Acquiror, the Company, the Sellers and the Securityholder Representative.

**RECITALS:**

WHEREAS, this Agreement is being entered into in connection with the execution of the Purchase Agreement pursuant to which, among other things, on the terms and subject to the conditions set forth in the Purchase Agreement, the Sellers will receive, pursuant to Section 1.4(a) and Section 1.5(c) of the Purchase Agreement, (i) shares of Acquiror Parent's Class A common stock, par value \$0.00001 per share ("**Acquiror Parent Common Stock**") or (ii) Acquiror's Non-Voting Exchangeable Shares, which may be exchanged for shares of Acquiror Parent Common Stock in accordance with their terms and the terms of the Exchange and Support Agreement, as consideration in respect of the acquisition by Acquiror of one-hundred percent (100%) of the issued and outstanding common and preferred shares of the Company (the shares of Acquiror Parent Common Stock described in the foregoing clauses (i) and (ii) (the "**Consideration Shares**"); and

WHEREAS, resales by the Sellers of the Consideration Shares may be required to be registered under the Securities Act (as defined herein) and applicable state securities laws, depending on the status of the Sellers or the intended method of distribution of the Consideration Shares.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

1.1 **Certain Definitions.** As used in this Agreement, the following terms shall have the following meanings:

"**Acquiror**" has the meaning set forth in the introductory paragraph.

"**Acquiror Parent**" has the meaning set forth in the introductory paragraph.

"**Acquiror Parent Common Stock**" has the meaning set forth in the recitals.

"**Affiliate**" has the meaning set forth in Rule 144 promulgated under the Securities Act.

"**Agreement**" has the meaning set forth in the introductory paragraph.

"**Commission**" means the United States Securities and Exchange Commission or any successor governmental agency.

"**Company**" has the meaning set forth in the introductory paragraph.

“**Consideration Shares**” has the meaning set forth in the recitals.

“**Electronic Delivery**” has the meaning set forth in Section 3.12.

“**Governmental Entity**” means, in each case whether domestic or foreign, (a) any supranational, national, state, provincial, territorial, municipal, local or foreign government, or any court, tribunal, administrative agency, commission, Crown corporation, ministry, bureau or other governmental entity, authority or instrumentality, or any arbitrator, or any stock exchange or similar self-regulatory organization, including any colleges and governing bodies of healthcare professionals, (b) any quasi-governmental or private body exercising any regulatory, taxing or other governmental or quasi-governmental authority, (c) government-owned or controlled entity (including state-owned or state-controlled businesses), (d) notified body, (e) royal family, (f) political party or (g) public international organization (e.g., the World Bank or Red Cross).

“**Legal Requirements**” means any federal, state, provincial, territorial, foreign, local, municipal or other law, statute, constitution, principle of common law, civil law, resolution, ordinance, code, edict, order, writ, injunction, decree, award, judgment, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity of competent jurisdiction, as amended unless expressly specified otherwise.

“**Person**” means any natural person, company, corporation, limited liability company, general partnership, limited partnership, trust, proprietorship, joint venture, association, business organization or Governmental Entity.

“**Purchase Agreement**” has the meaning set forth in the introductory paragraph.

“**Registrable Date**” has the meaning set forth in Section 2.1(a).

“**Registration Statement**” has the meaning set forth in Section 2.1(a).

“**Representatives**” means, with respect to a Person, such Person’s Affiliates and the directors, managers, members, securityholders, shareholders, officers, employees, advisors, counsel, accountants, agents and other representatives of such Person and its Affiliates.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Securityholder Representative**” has the meaning set forth in the introductory paragraph.

“**Sellers**” has the meaning set forth in the introductory paragraph.

## ARTICLE II REGISTRATION RIGHTS

### 1.1 **Registration Statement.**

- (a) As promptly as reasonably practicable after the Agreement Date (and, subject to the Sellers and the Company furnishing on a timely basis the information required by Section 2.1(b) below, no later than thirty (30) days following the execution of this the Purchase Agreement), Acquiror Parent shall use reasonable best efforts to (i) prepare and file or cause to be prepared and filed with the Commission a registration statement on Form S-3 (or any successor form) to register the sale of the Consideration Shares (the “**Registration Statement**”), which shall be effective upon filing and (ii) ensure that the Registration Statement complies in all material respects with the applicable provisions of the Exchange Act, Securities Act, and other applicable Legal Requirements as of the date of filing. Acquiror Parent shall use reasonable best efforts to cause the Registration Statement to be filed with the Commission and to be

disseminated, in each case, as and to the extent required by applicable Legal Requirements, rules and regulations.

- (b) Each Seller and the Company shall, and shall use reasonable best efforts to cause its Representatives to, cooperate with and provide to Acquiror Parent and its Representatives true, correct, and complete information regarding such Seller and the Company that is reasonably necessary in connection with the preparation and filing of the Registration Statement, including such information as may be required to be included in the Registration Statement pursuant to applicable Legal Requirements. Without limiting the foregoing, if financial statements of the Company are required to be included in the Registration Statement, the Company shall use reasonable best efforts to cause its independent accounting firm to deliver Acquiror Parent prior to the Closing a consent letter of the Company's independent accounting firm, in form and substance satisfactory to Acquiror Parent, that is customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.
- (c) Subject to Section 2.1 (a) hereto, Acquiror Parent shall use reasonable best efforts to cause the Registration Statement to become effective, and to keep such Registration Statement effective for a period of not less than three (3) years, or, if earlier, until the Sellers have sold all Consideration Shares. To that end, Acquiror Parent shall use reasonable best efforts to prepare and file with the Commission such amendments and supplements to such Registration Statement, and any prospectus used in connection therewith, as may be necessary to comply with the Securities Act in order to enable the disposition of all Consideration Shares covered by such Registration Statement.
- (d) The parties hereto agree that any Relevant Matters, including any claims for Indemnifiable Damages arising out of or resulting from or in connection with breach of or default in connection with any of the covenants or obligations of the parties under this Agreement, shall be governed by, and subject to, the provisions of Article X of the Purchase Agreement, including the indemnifications, limitations and claim procedures set forth therein, which shall be the exclusive remedies for any matters in connection with the recovery of any losses under, or in connection with, the Relevant Matters regardless of the legal theory under which any other remedy or recourse may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise, and the parties hereto agree that the Indemnified Persons shall have no remedy or recourse with respect to any of the foregoing other than pursuant to, and subject to the terms and conditions of, Article X of the Purchase Agreement.

### ARTICLE III MISCELLANEOUS

1.1 **Termination.** This Agreement shall terminate upon the termination of the Purchase Agreement in accordance with its terms if the Closing has not occurred; provided, that such termination of this Agreement shall not relieve any party hereto from liability in connection with any Knowing Breach of such party. If the Closing has occurred, this Agreement shall terminate as to any Seller, upon the earlier to occur of (i) the termination of the Purchase Agreement in accordance with its terms and (ii) the date such Seller no longer owns any Consideration Shares; provided, that Section 2.1(d) and this Article III shall survive such termination of this Agreement.

1.2 **Severability.** In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall be interpreted so as reasonably to effect the intent of the parties hereto. The parties hereto shall use all reasonable efforts to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

1.3 **Remedies.** Nothing in this Agreement shall be deemed a waiver by any party of any right to specific performance or injunctive relief. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity, and the parties hereby waive the requirement of any posting of a bond in connection with the remedies described herein.

1.4 **Governing Law.** This Agreement, and all claims, causes of action (whether in contract, tort or statute) or other matter that may result from, arise out of, be in connection with or relating to this Agreement or the execution or performance of this Agreement ("**Relevant Matters**"), shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof), including its statutes of limitations. Each of the parties hereto irrevocably consents to the exclusive jurisdiction and venue of the Court of Chancery of the State of Delaware in new Castle County, Delaware (or, in case the Court of Chancery does not have jurisdiction, any other court of the State of Delaware in New Castle County, Delaware or, in the case of a federal claim as to which federal courts have exclusive jurisdiction, the U.S. District Court for the District of Delaware) in connection with any Relevant Matter, agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such Persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction, venue and such process. Each party agrees not to commence any legal proceedings related to any Relevant Matter except in such courts.

1.5 **WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELEVANT MATTER.

1.6 **Adjustments Affecting Consideration Shares.** The provisions of this Agreement shall apply to any and all shares of capital stock of Acquiror Parent or any successor or assignee of Acquiror Parent (whether by merger, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for or in substitution for the Consideration Shares, by reason of any stock dividend, split, reverse split, combination, recapitalization, reclassification, merger, consolidation or otherwise in such a manner and with such appropriate adjustments as to reflect the intent and meaning of the provisions hereof and so that the rights, privileges, duties and obligations hereunder shall continue with respect to the capital stock of Acquiror Parent as so changed.

1.7 **Succession and Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of the other parties hereto, and any such assignment without such prior written consent shall be null and void.

1.8 **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by registered or certified mail (return receipt requested) or sent via e-mail (with confirmation of receipt), if provided below, to the parties hereto at the following address (or at such other address for a party as shall be specified by like notice); **provided** that notices sent by mail will not be deemed given until received and provided, further that with respect to notices delivered to the Securityholder Representative, such notices must be delivered solely via email by way of a PDF attachment thereto of an executed document:



(a) If to Acquiror Parent, to:

Recursion Pharmaceuticals, Inc.  
41 S. Rio Grande Street  
Salt Lake City, UT 84101  
Attention: Nathan B. Hatfield  
Email: nathan.hatfield@recursionpharma.com

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation  
701 Fifth Avenue, Suite 5100  
Seattle, WA 98104  
Attention: Patrick Schultheis; Remi P. Korenblit  
Email: PSchultheis@wsgr.com; rkorenblit@wsgr.com

and with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation  
One Market Plaza, Suite 3300  
San Francisco, CA 94105  
Attention: Robert T. Ishii  
Email: RIshii@wsgr.com

and with a copy (which shall not constitute notice) to:

Osler, Hoskin & Harcourt LLP  
1 First Canadian Place, Suite 6200  
Toronto, Ontario M5X 1B8  
Attention: John Groenewegen; Alex Gorka  
Email: jgroenewegen@osler.com; agorka@osler.com

(b) If to the Securityholder Representative, to:

Daniel Cohen  
1200 Boul. de Maisonneuve Ouest, 16D  
Montreal, Quebec H3A 0A1

Email: daniel@valencediscovery.com

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP  
800, rue du Square-Victoria, Suite 3500  
Montreal, Quebec H4Z 1E9

Attention: Adam Saskin  
Email: adam.saskin@fasken.com

(c) if to a Seller, to the address provided by such Seller pursuant to the Purchase Agreement.

1.9 **Amendment.** To the extent permitted by applicable Legal Requirements, Acquiror Parent and the Securityholder Representative may cause this Agreement to be amended at any time by execution of an instrument in writing signed on behalf of Acquiror Parent and the Securityholder Representative.

1.10 **Extension; Waiver.** Any party hereto may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (b) waive compliance with any of the agreements or conditions for the benefit of such party contained herein. The Securityholder Representative and Acquiror Parent may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other, and (ii) waive compliance with any of the agreements or conditions for the benefit of such Person contained herein. Without limiting the generality or effect of the preceding sentence, no delay in exercising any right under this Agreement shall constitute a waiver of such right, and no waiver of any breach or default shall be deemed a waiver of any other breach or default of the same or any other provision in this Agreement.

1.11 **Entire Agreement.** This Agreement and the documents and instruments and other agreements specifically referred to herein constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties hereto with respect to the subject matter hereof.

1.12 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which when so executed and delivered shall be an original, but all of which shall be considered one and the same instrument. Any such counterpart, to the extent delivered by .pdf or similar attachment to electronic mail (any such delivery, an "**Electronic Delivery**") shall be treated in all manners and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in Person. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent that such defense relates to lack of authenticity.

[signature page follows]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its undersigned duly authorized representative as of the date first written above.

**RECURSION PHARMACEUTICALS, INC.**

By: /s/ Chris Gibson  
Name: Chris Gibson  
Title: Chief Executive Officer

**14998685 CANADA INC.**

By: Chris Gibson  
Name: Chris Gibson  
Title: President

*Signature Page to Registration Rights Agreement*

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its undersigned duly authorized representative as of the date first written above.

**DANIEL COHEN**, solely in his capacity as the representative of the Sellers

By: /s/ Daniel Cohen

*Signature Page to Registration Rights Agreement*

**VALENCE DISCOVERY INC.**

By: Daniel Cohen  
Name: Daniel Cohen  
Title: Authorized Signatory

*Signature Page to Registration Rights Agreement*

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its undersigned duly authorized representative as of the date first written above.

**[SELLERS]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Registration Rights Agreement*

May 30, 2023

Recursion Pharmaceuticals, Inc.  
41 S Rio Grande Street  
Salt Lake City, Utah 84101

**Re: Registration Statement on Form S-3**

Ladies and Gentlemen:

At your request, we have examined the Registration Statement on Form S-3 (the "**Registration Statement**"), filed by Recursion Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), with the Securities and Exchange Commission in connection with the registration pursuant to the Securities Act of 1933, as amended (the "**Act**"), of the Securities (as defined below).

The Registration Statement has been filed for the purpose of registering under the Act up to 8,103,979 shares of the Company's Class A common stock, \$0.00001 par value per share (the "**Common Stock**") and relate to:

- the proposed issuance of up to 5,904,827 shares of Common Stock (the "**Exchange Shares**") in connection with, from time to time, the exchange, retraction or redemption of exchangeable shares (the "**Exchangeable Shares**") of 14998685 Canada Inc., a corporation governed by the laws of Canada and an indirect wholly-owned subsidiary of the Company ("**Exchangeco**"), which Exchangeable Shares were or will be issued pursuant to that certain Share Purchase Agreement, dated May 8, 2023, by and among the Company, Exchangeco, Valence Discovery Inc. ("**Valence**"), certain shareholders of Valence, and the other parties thereto (the "**Share Purchase Agreement**"). The exchange, retraction or redemption of the Exchangeable Shares for the Primary Shares will be in accordance with the terms and subject to the conditions set forth in the Share Purchase Agreement and in the Exchangeable Share Support Agreement, dated May 16, 2023, by and among the Company, Exchangeco, and 1414517 B.C. Unlimited Liability Company, an unlimited liability company existing under the laws of the Province of British Columbia (the "**Exchange Agreement**" and together with the Share Purchase Agreement, the "**Exchangeable Share Documents**");
- the proposed issuance of up to 31,132 shares of Class A common stock issuable upon the exercise of options (the "**Options**" and together with the Exchange Shares, the "**Primary Securities**") by former service providers of Valence that are not eligible to be registered on Form S-8; and
- the proposed resale from time to time by the selling stockholders named in the Registration Statement (the "**Selling Stockholders**") of up to 2,168,020 shares of Common Stock (the "**Secondary Securities**" and together with the Primary Securities, the "**Securities**") that were or will be issued to the selling stockholders pursuant to the Share Purchase Agreement.

AUSTIN BEIJING BOSTON BRUSSELS HONG KONG LONDON LOS ANGELES NEW YORK PALO ALTO  
SAN DIEGO SAN FRANCISCO SEATTLE SHANGHAI WASHINGTON, DC WILMINGTON, DE

We have examined instruments, documents, certificates and records that we have deemed relevant and necessary for the basis of our opinions hereinafter expressed, including:

- 1) the Registration Statement, including the exhibits thereto;
- 2) the Company's Amended and Restated Certificate of Incorporation, as amended to date;
- 3) the Company's Amended and Restated Bylaws, as amended to date;
- 4) the Share Purchase Agreement;
- 5) the Exchange Agreement;
- 6) certain resolutions of the Board of Directors of the Company and committees thereof; and
- 7) such other documents, corporate records, and instruments as we have deemed necessary for purposes of rendering the opinions set forth herein.

In such examination, we have assumed: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; (c) the truth, accuracy and completeness of the information, representations and warranties contained in the instruments, documents, certificates and records we have reviewed; (d) that the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective under the Act; (e) that the Securities will be issued and sold in compliance with applicable U.S. federal and state securities laws and in the manner stated in the Registration Statement. As to any facts material to the opinions expressed herein that were not independently established or verified, we have relied upon oral or written statements and representations of officers and other representatives of the Company.

Based on such examination, we are of the opinion that as of the date hereof:

1. When the Primary Securities have been issued and delivered against payment therefor in the manner contemplated by the Registration Statement and in accordance with the terms of the Exchangeable Share Documents and the terms of the Options, as applicable, the Primary Securities will be duly authorized, validly issued, fully paid and non-assessable.

2. The Secondary Securities are or will be when issued in the manner contemplated by the Registration Statement and in accordance with the terms of the Exchangeable Share Documents, duly authorized, validly issued, fully paid and non-assessable.

Our opinion that any document is legal, valid and binding is qualified as to:

- (a) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally;
- (b) rights to indemnification and contribution, which may be limited by applicable law or equitable principles; and



(c) the effect of general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, whether considered in a proceeding in equity or at law.

We express no opinion as to the laws of any other jurisdiction other than the Delaware General Corporation Law.

We hereby consent to the filing of this opinion as an exhibit to the above referenced Registration Statement and to the use of our name wherever it appears in the Registration Statement, the prospectus contained therein, and in any amendment or supplement thereto. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Wilson Sonsini Goodrich & Rosati, P.C.

WILSON SONSINI GOODRICH & ROSATI  
Professional Corporation

**Consent of Independent Registered Public Accounting Firm**

We consent to the reference to our firm under the caption "Experts" in this Registration Statement (Form S-3) and related Prospectus of Recursion Pharmaceuticals, Inc. for the registration of up to 8,103,979 shares of Class A Common Stock and to the incorporation by reference therein of our reports dated February 27, 2023, with respect to the consolidated financial statements of Recursion Pharmaceuticals, Inc., and the effectiveness of internal control over financial reporting of Recursion Pharmaceuticals, Inc., included in its Annual Report (Form 10-K) for the year ended December 31, 2022, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Salt Lake City, Utah  
May 30, 2023